

**STATE OF SOUTH CAROLINA
STATEWIDE SINGLE AUDIT
FOR THE YEAR ENDED JUNE 30, 2021**

CONTENTS

Page

Independent Auditors' Report on Compliance for Each Major Federal Program; Report on Internal Control over Compliance; and Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance	2
Schedule 1 - Schedule of Expenditures of Federal Awards by Federal Grantor and Assistance Listing	6
Notes to the Schedule of Expenditures of Federal Awards	26
Schedule 2 - Schedule of Findings and Questioned Costs	30
Summary Schedule of Prior Audit Findings	58
Appendices:	
A - Listing of Agencies Included in the Schedule of Expenditures of Federal Awards	91
B - Agency Corrective Action Plans to Findings and Recommendations - Federal Award Programs Audit	94
C - Index of Findings by Federal Grantor and Program Name	120



Independent Auditors' Report on Compliance for
Each Major Federal Program; Report on Internal
Control over Compliance; and Report on Schedule of
Expenditures of Federal Awards Required by the Uniform Guidance

April 14, 2022

The Honorable Henry D. McMaster, Governor
and
Members of the State Fiscal Accountability Authority
State of South Carolina
Columbia, South Carolina

Report on Compliance for Each Major Federal Program

We have audited the State of South Carolina's (the State) compliance with the types of compliance requirements described in the Office of Management and Budget (OMB) *Compliance Supplement* that could have a direct and material effect on each of the State's major federal programs for the year ended June 30, 2021. The State's major federal programs are identified in the Summary of Auditor's Results section of the accompanying Schedule of Findings and Questioned Costs.

The State's basic financial statements included the operations of certain agencies and component units that have been excluded from the Schedule of Expenditures of Federal Awards because each of the entities were audited by other auditors as discussed in Note 1 to the Schedule of Expenditures of Federal Awards. These agencies and component units are listed in Note 1.

Management's Responsibility

The State's management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the State's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the State's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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State of South Carolina
April 14, 2022

We believe that our audit provides a reasonable basis for our qualified and unmodified opinions on compliance for each major federal program. However, our audit does not provide a legal determination of the State's compliance.

Basis for Qualified Opinion on the Five Major Federal Programs Identified in the Following Table

As identified in the following table and as described in the accompanying Schedule of Findings and Questioned Costs, the State did not comply with requirements regarding the following:

State Administering Agency	Finding Number	Assistance Listing	Federal Program/Cluster	Compliance Requirement
South Carolina Department of Health and Human Services	2021-004 2021-008	93.775 93.777 93.778	Medicaid Cluster	Eligibility; Special Tests and Provisions
South Carolina Department of Health and Human Services	2021-004	93.767	Children's Health Insurance Program (CHIP)	Eligibility
South Carolina Department of Social Services	2021-013	93.659	Adoption Assistance	Allowable Costs/Cost Principles; Eligibility
South Carolina Department of Social Services	2021-015	10.542	Pandemic EBT Food Benefits – COVID-19	Reporting
South Carolina Office of the Adjutant General	2021-018	12.401	National Guard Military Operations and Maintenance Projects	Cash Management

Compliance with such requirements is necessary, in our opinion, for the State to comply with the requirements applicable to those programs.

Qualified Opinion on the Five Major Federal Programs Identified Above

In our opinion, except for the noncompliance described in the Basis for Qualified Opinion paragraph, the State complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on the identified major federal programs for the year ended June 30, 2021.

Unmodified Opinion on Each of the Other Major Federal Programs

In our opinion, the State complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its other major federal programs identified in the Summary of Auditor's Results section of the accompanying Schedule of Findings and Questioned Costs for the year ended June 30, 2021.

The Honorable Henry D. McMaster, Governor
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State of South Carolina
April 14, 2022

Other Matters

The results of our auditing procedures disclosed other instances of noncompliance which are required to be reported in accordance with the Uniform Guidance and which are described in the accompanying Schedule of Findings and Questioned Costs as items 2021-002, 2021-003, 2021-005 through 2021-007, 2021-009 through 2021-012, 2021-014, 2021-016, 2021-017, and 2021-019 through 2021-022. Our opinion on each major federal program is not modified with respect to these matters.

The State's responses to the noncompliance findings identified in our audit are described in the accompanying Schedule of Findings and Questioned Costs and Appendix B – Agency Corrective Action Plans to Findings and Recommendations. The State's responses were not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the responses.

Report on Internal Control over Compliance

Management of the State is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the State's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the State's internal control over compliance.

Our consideration of internal control over compliance was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as discussed below, we identified certain deficiencies in internal control over compliance that we consider to be material weaknesses and significant deficiencies.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. We consider the deficiencies in internal control over compliance described in the accompanying Schedule of Findings and Questioned Costs as items 2021-004, 2021-008, 2021-011, 2021-013, 2021-015, 2021-018, and 2021-020 to be material weaknesses.

The Honorable Henry D. McMaster, Governor
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State of South Carolina
April 14, 2022

A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance. We consider the deficiencies in internal control over compliance described in the accompanying Schedule of Findings and Questioned Costs as items 2021-002, 2021-003, 2021-005 through 2021-007, 2021-009, 2021-010, 2021-012, 2021-014, 2021-016, 2021-017, 2021-019, 2021-021, and 2021-022 to be significant deficiencies.

The State's responses to the internal control over compliance findings identified in our audit are described in the accompanying Schedule of Findings and Questioned Costs and Appendix B – Agency Corrective Action Plans to Findings and Recommendations – Federal Award Programs Audit. The State's responses were not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the responses.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance

We have audited the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the State of South Carolina as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the State's basic financial statements. We issued our report thereon dated November 12, 2021 which contained unmodified opinions on the basic financial statements. We have not performed any procedures with respect to the audited financial statements subsequent to November 12, 2021. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the State's basic financial statements. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedule of Expenditures of Federal Awards is fairly stated in all material respects in relation to the basic financial statements as a whole.



Columbia, South Carolina
April 14, 2022

**Schedule of Expenditures of Federal Awards by Federal
Grantor and Assistance Listing**

Grantor/Assistance Listing Number/Title	Pass-Through Grant Number	Federal Expenditures	Subrecipient Expenditures
Clusters			
Department of Agriculture			
SNAP Cluster			
10.551 Supplemental Nutrition Assistance Program			
Direct		\$ 1,404,906,551	\$ -
10.561 State Administrative Matching Grants for the Supplemental Nutrition Assistance Program			
Direct		28,100,261	5,410,583
10.561 COVID-19 State Administrative Matching Grants for the Supplemental Nutrition Assistance Program			
Direct		2,034,585	-
10.561 State Administrative Matching Grants for the Supplemental Nutrition Assistance Program Total		30,134,846	5,410,583
SNAP Cluster Total		1,435,041,397	5,410,583
Child Nutrition Cluster			
10.555 National School Lunch Program			
Direct		356,045,928	323,648,504
10.579 Child Nutrition Discretionary Grants Limited Availability			
Direct		769,623	372,544
Child Nutrition Cluster Total		356,815,551	324,021,048
Food Distribution Cluster			
10.565 Commodity Supplemental Food Program			
Direct		376,288	334,555
10.565 COVID-19 Commodity Supplemental Food Program			
Direct		67,061	67,061
10.565 Commodity Supplemental Food Program Total		443,349	401,616
10.568 Emergency Food Assistance Program (Administrative Costs)			
Direct		1,700,759	1,606,237
10.568 COVID-19 Emergency Food Assistance Program (Administrative Costs)			
Direct		330,000	330,000
10.568 Emergency Food Assistance Program (Administrative Costs) Total		2,030,759	1,936,237
Food Distribution Cluster Total		2,474,108	2,337,853
Forest Service Schools and Roads Cluster			
10.665 Schools and Roads - Grants to States			
Direct		1,253,420	1,253,420
Forest Service Schools and Roads Cluster Total		1,253,420	1,253,420
Department of Commerce			
Economic Development Cluster			
11.307 Economic Adjustment Assistance			
Direct		755,115	-
Economic Development Cluster Total		755,115	-
Department of Housing and Urban Development			
CDBG - Entitlement Grants Cluster			
14.218 Community Development Block Grants/Entitlement Grants			
Direct		27,988,004	-
CDBG - Entitlement Grants Cluster Total		27,988,004	-
Department of the Interior			
Fish and Wildlife Cluster			
15.605 Sport Fish Restoration			
Direct		716,018	716,018
15.611 Wildlife Restoration and Basic Hunter Education			
Direct		1,972,480	36,250
15.626 Enhanced Hunter Education and Safety			
Direct		129,692	-
Fish and Wildlife Cluster Total		2,818,190	752,268

Grantor/Assistance Listing Number/Title	Pass-Through Grant Number	Federal Expenditures	Subrecipient Expenditures
Clusters			
Department of Labor			
WIOA Cluster			
17.278 WIOA Dislocated Worker Formula Grants			
Passed through South Carolina Department of Employment and Workforce			
	18MAN01	28,713	-
WIOA Cluster Total		28,713	-
Department of Transportation			
Highway Planning and Construction Cluster			
20.205 Highway Planning and Construction			
Passed through South Carolina Department of Transportation			
	SCDNR-1-18	102,200	-
	SCDNR-1-20	76,503	-
20.205 Highway Planning and Construction Total		178,703	-
20.219 Recreational Trails Program			
Direct		1,233,848	1,145,935
Highway Planning and Construction Cluster Total		1,412,551	1,145,935
FMCSA Cluster			
20.218 Motor Carrier Safety Assistance			
Direct		3,845,820	-
FMCSA Cluster Total		3,845,820	-
Transit Services Programs Cluster			
20.513 Enhanced Mobility of Seniors and Individuals with Disabilities			
Passed through South Carolina Department of Transportation			
	PT-8I110-88	1	-
	PT-9I110-A3	45,472	-
	PT-9I110-B6	45,472	-
Passed through The Berkeley-Charleston-Dorchester Council of Governments			
	1068-SC-2018-3	15,977	-
20.513 Enhanced Mobility of Seniors and Individuals with Disabilities Total		106,922	-
Transit Services Programs Cluster Total		106,922	-
Highway Safety Cluster			
20.600 State and Community Highway Safety			
Direct		4,107,860	2,733,718
20.616 National Priority Safety Programs			
Direct		3,194,070	1,193,143
Highway Safety Cluster Total		7,301,930	3,926,861
Environmental Protection Agency			
Clean Water State Revolving Fund Cluster			
66.458 Capitalization Grants for Clean Water State Revolving Funds			
Direct		128,236,677	127,642,996
Clean Water State Revolving Fund Cluster Total		128,236,677	127,642,996
Drinking Water State Revolving Fund Cluster			
66.468 Capitalization Grants for Drinking Water State Revolving Funds			
Direct		21,482,184	18,909,736
Drinking Water State Revolving Fund Cluster Total		21,482,184	18,909,736
Department of Education			
Special Education Cluster (IDEA)			
84.027 Special Education Grants to States			
Direct		186,295,894	170,189,699
84.173 Special Education Preschool Grants			
Direct		7,383,983	7,383,983
Special Education Cluster (IDEA) Total		193,679,877	177,573,682

Grantor/Assistance Listing Number/Title	Pass-Through Grant Number	Federal Expenditures	Subrecipient Expenditures
Clusters			
Department of Health and Human Services			
Aging Cluster			
93.044 Special Programs for the Aging, Title III, Part B, Grants for Supportive Services and Senior Centers			
Direct		8,684,319	8,241,627
93.044 COVID-19 Special Programs for the Aging, Title III, Part B, Grants for Supportive Services and Senior Centers			
Direct		2,326,116	2,326,116
93.044 Special Programs for the Aging, Title III, Part B, Grants for Supportive Services and Senior Centers Total		11,010,435	10,567,743
93.045 Special Programs for the Aging, Title III, Part C, Nutrition Services			
Direct		9,824,653	9,269,904
93.045 COVID-19 Special Programs for the Aging, Title III, Part C, Nutrition Services			
Direct		5,293,551	5,293,551
93.045 Special Programs for the Aging, Title III, Part C, Nutrition Services Total		15,118,204	14,563,455
93.053 Nutrition Services Incentive Program			
Direct		1,965,718	1,965,718
Aging Cluster Total		28,094,357	27,096,916
CCDF Cluster			
93.575 Child Care and Development Block Grant			
Direct		121,316,923	517,651
93.575 COVID-19 Child Care and Development Block Grant			
Direct		123,577,457	-
93.575 Child Care and Development Block Grant Total		244,894,380	517,651
93.596 Child Care Mandatory and Matching Funds of the Child Care and Development Fund			
Direct		9,342,443	-
CCDF Cluster Total		254,236,823	517,651
Head Start Cluster			
93.600 Head Start			
Direct		140,409	-
Head Start Cluster Total		140,409	-
Medicaid Cluster			
93.775 State Medicaid Fraud Control Units			
Direct		1,177,466	-
93.777 State Survey and Certification of Health Care Providers and Suppliers (Title XVIII) Medicare			
Direct		4,967,679	-
93.777 COVID-19 State Survey and Certification of Health Care Providers and Suppliers (Title XVIII) Medicare			
Direct		794,140	-
93.777 State Survey and Certification of Health Care Providers and Suppliers (Title XVIII) Medicare Total		5,761,819	-
93.778 Medical Assistance Program			
Direct		5,298,066,475	-
93.778 COVID-19 Medical Assistance Program			
Direct		451,218,503	-
93.778 Medical Assistance Program Total		5,749,284,978	-
Medicaid Cluster Total		5,756,224,263	-
Social Security Administration			
Disability Insurance/SSI Cluster			
96.001 Social Security Disability Insurance			
Direct		37,292,084	-
Disability Insurance/SSI Cluster Total		37,292,084	-
Research and Development Cluster			
Department of Agriculture			
10.200 Grants for Agricultural Research, Special Research Grants			
Passed through Mississippi State University	321673.05.06.FR20-4	6,356	-
10.771 Rural Cooperative Development Grants			
Passed through Clemson University	46-039-576000254	5,841	-

Grantor/Assistance Listing Number/Title Clusters	Pass-Through Grant Number	Federal Expenditures	Subrecipient Expenditures
10.931 Agricultural Conservation Easement Program Direct		122,214	-
Department of Commerce			
11.012 Integrated Ocean Observing System (IOOS) Passed through Southeast Coastal Ocean Observing Regional Association			
	IOOS.16(028)SCDNR.DS.OBS	10,375	-
	IOOS.16(028)SCDNR.JB.SOUND.5	8,866	-
11.012 Integrated Ocean Observing System (IOOS) Total		19,241	-
11.407 Interjurisdictional Fisheries Act of 1986 Direct		26,038	-
11.417 Sea Grant Support Direct		1,720,676	534,416
11.419 Coastal Zone Management Administration Awards Passed through North Carolina Department of Environmental Quality			
	CW18257	4,128	-
Passed through University of Michigan			
	SUBK00014181	20,603	-
11.419 Coastal Zone Management Administration Awards Total		24,731	-
11.420 Coastal Zone Management Estuarine Research Reserves Direct		895,386	-
11.427 Fisheries Development and Utilization Research and Development Grants and Cooperative Agreements Program Direct		15,383	11,691
11.431 Climate and Atmospheric Research Passed through University of South Carolina			
	NA16OAR4310163	38,660	-
11.433 Marine Fisheries Initiative Direct		258,339	-
11.434 Cooperative Fishery Statistics Direct		114,591	-
11.435 Southeast Area Monitoring and Assessment Program Direct		1,382,902	14,222
11.454 Unallied Management Projects Direct		972,957	9,982
Passed through Texas A&M University			
	M1900115	7,154	-
Passed through New England Aquarium			
	2716	11,827	-
11.454 Unallied Management Projects Total		991,938	9,982
11.463 Habitat Conservation Direct		241,972	17,425
11.472 Unallied Science Program Direct		921,533	241,310
Passed through Atlantic States Marine Fisheries Commission			
	19-0902	4,195	-
11.472 Unallied Science Program Total		925,728	241,310
11.473 Office for Coastal Management Passed through National Audubon Society, Inc.			
	0318.18.062359	69,486	-
11.474 Atlantic Coastal Fisheries Cooperative Management Act Direct		238,221	-
Department of Defense			
12.100 Aquatic Plant Control Direct		213,028	-
12.107 Navigation Projects Direct		43,634	-

Grantor/Assistance Listing Number/Title Clusters	Pass-Through Grant Number	Federal Expenditures	Subrecipient Expenditures
Department of the Interior			
15.605 Sport Fish Restoration Direct		4,642,705	-
15.608 Fish and Wildlife Management Assistance Direct		51,039	-
15.611 Wildlife Restoration and Basic Hunter Education Direct		6,134,265	67,250
15.615 Cooperative Endangered Species Conservation Fund Direct		150,005	-
15.622 Sportfishing and Boating Safety Act Direct		7,807	-
15.630 Coastal Direct		43,408	-
15.634 State Wildlife Grants Direct		809,529	197,769
15.684 White-nose Syndrome National Response Implementation Direct		20,593	-
15.808 U.S. Geological Survey Research and Data Collection Direct		37,013	-
15.810 National Cooperative Geologic Mapping Direct		112,658	-
15.814 National Geological and Geophysical Data Preservation Direct		20,842	-
15.980 National Ground-Water Monitoring Network Direct		30,491	-
Department of Justice			
16.550 State Justice Statistics Program for Statistical Analysis Centers Direct		6,968	-
16.560 National Institute of Justice Research, Evaluation, and Development Project Grants Passed through WestEd	30279	8,801	-
National Foundation on the Arts and the Humanities			
45.169 Promotion of the Humanities Office of Digital Humanities Direct		105,094	96,202
Environmental Protection Agency			
66.461 Regional Wetland Program Development Grants Direct		142,627	-
Department of Energy			
81.214 Environmental Monitoring/Cleanup, Cultural and Resource Mgmt., Emergency Response Research, Outreach, Technical Analysis Direct		143,918	-
Department of Education			
84.372 Statewide Longitudinal Data Systems Direct		261,775	-
Department of Health and Human Services			
93.103 Food and Drug Administration Research Direct		294,929	-
93.242 Mental Health Research Grants Passed through The Feinstein Institute for Medical Research	AWD00001140-SCDMH	15,136	-
93.315 Rare Disorders: Research, Surveillance, Health Promotion, and Education Direct		457,183	33,127

Grantor/Assistance Listing Number/Title	Pass-Through Grant Number	Federal Expenditures	Subrecipient Expenditures
Clusters			
93.367 Flexible Funding Model - Infrastructure Development and Maintenance for State Manufactured Food Regulatory Programs Direct		592,045	77,005
93.876 Antimicrobial Resistance Surveillance in Retail Food Specimens Direct		103,832	-
93.946 Cooperative Agreements to Support State-Based Safe Motherhood and Infant Health Initiative Programs Direct		165,293	-
Total Research and Development Cluster		21,712,321	1,300,399
Total Clusters		8,280,940,716	691,889,348
NonCluster Programs			
Department of Agriculture			
10.093 Voluntary Public Access and Habitat Incentive Program Direct		152,779	152,779
10.153 Market News Direct		5,188	-
10.162 Inspection Grading and Standardization Direct		2,215,742	250,645
10.170 Specialty Crop Block Grant Program - Farm Bill Direct		508,506	469,259
10.171 Organic Certification Cost Share Programs Direct		5,743	5,221
10.351 Rural Business Development Grant Direct		101,282	25,000
10.534 CACFP Meal Service Training Grants Direct		76,918	-
10.535 SNAP Fraud Framework Implementation Grant Direct		204,000	-
10.542 COVID-19 Pandemic EBT Food Benefits Direct		385,528,120	-
10.557 WIC Special Supplemental Nutrition Program for Women, Infants, and Children Direct		54,241,574	451,747
10.557 COVID-19 WIC Special Supplemental Nutrition Program for Women, Infants, and Children Direct		7,021,202	-
10.557 WIC Special Supplemental Nutrition Program for Women, Infants, and Children Total		61,262,776	451,747
10.558 Child and Adult Care Food Program Direct		18,295,806	17,799,298
10.558 COVID-19 Child and Adult Care Food Program Direct		4,235,553	4,235,553
10.558 Child and Adult Care Food Program Total		22,531,359	22,034,851
10.560 State Administrative Expenses for Child Nutrition Direct		4,545,550	-
10.572 WIC Farmers' Market Nutrition Program (FMNP) Direct		66,518	-
10.575 Farm to School Grant Program Direct		9,232	-
10.576 Senior Farmers Market Nutrition Program Direct		508,093	-
10.578 WIC Grants To States (WGS) Direct		161,672	-
10.582 Fresh Fruit and Vegetable Program Direct		4,013,501	4,013,501

Grantor/Assistance Listing Number/Title	Pass-Through Grant Number	Federal Expenditures	Subrecipient Expenditures
NonCluster Programs			
10.649 COVID-19 Pandemic EBT Administrative Costs Direct		1,317,174	-
10.652 Forestry Research Direct		416,918	-
10.664 Cooperative Forestry Assistance Direct		2,063,516	564,133
Passed through Texas A&M University	17-DG-11083148-010	32,000	-
10.664 Cooperative Forestry Assistance Total		2,095,516	564,133
10.676 Forest Legacy Program Direct		30,465	-
10.678 Forest Stewardship Program Direct		54,283	-
10.680 Forest Health Protection Direct		368,731	277,315
10.697 State & Private Forestry Hazardous Fuel Reduction Program Direct		100,088	75,510
10.855 Distance Learning and Telemedicine Loans and Grants Direct		810,130	-
10.902 Soil and Water Conservation Direct		104,394	-
10.912 Environmental Quality Incentives Program Direct		199,699	-
10.934 Feral Swine Eradication and Control Pilot Program Direct		30,203	30,203
Department of Agriculture Total		487,424,580	28,350,164
Department of Commerce			
11.419 Coastal Zone Management Administration Awards Direct		2,865,653	-
11.553 Special Projects Passed through Public Broadcasting Service	51-51-10606	17,599	-
Department of Commerce Total		2,883,252	-
Department of Defense			
12.113 State Memorandum of Agreement Program for the Reimbursement of Technical Services Direct		902,312	-
12.400 Military Construction, National Guard Direct		97,154	-
12.401 National Guard Military Operations and Maintenance (O&M) Projects Direct		34,859,837	-
12.404 National Guard ChalleNGe Program Direct		4,323,205	-
12.617 Economic Adjustment Assistance for State Governments Passed through South Carolina Department of Employment and Workforce	20SCCAP02	2,000	-
Department of Defense Total		40,184,508	-
Department of Housing and Urban Development			
14.228 Community Development Block Grants/State's program and Non-Entitlement Grants in Hawaii Direct		17,809,988	13,747,114
14.228 COVID-19 Community Development Block Grants/State's program and Non-Entitlement Grants in Hawaii Direct		3,535,571	3,434,739
14.228 Community Development Block Grants/State's program and Non-Entitlement Grants in Hawaii Total		21,345,559	17,181,853

Grantor/Assistance Listing Number/Title	Pass-Through Grant Number	Federal Expenditures	Subrecipient Expenditures
NonCluster Programs			
14.231 Emergency Solutions Grant Program			
Direct		2,504,711	2,354,602
14.231 COVID-19 Emergency Solutions Grant Program			
Direct		4,500,098	4,500,098
14.231 Emergency Solutions Grant Program Total		7,004,809	6,854,700
14.241 Housing Opportunities for Persons with AIDS			
Direct		2,108,590	2,023,758
14.241 COVID-19 Housing Opportunities for Persons with AIDS			
Direct		94,852	94,788
14.241 Housing Opportunities for Persons with AIDS Total		2,203,442	2,118,546
14.267 Continuum of Care Program			
Direct		970,562	970,562
14.401 Fair Housing Assistance Program State and Local			
Direct		414,248	-
Department of Housing and Urban Development Total		31,938,620	27,125,661
Department of the Interior			
15.438 National Forest Acquired Lands			
Direct		1,047	1,047
15.614 Coastal Wetlands Planning, Protection and Restoration			
Direct		292,739	-
15.616 Clean Vessel Act			
Direct		472,972	364,184
15.622 Sportfishing and Boating Safety Act			
Direct		139,073	127,199
15.634 State Wildlife Grants			
Direct		44,284	-
15.657 Endangered Species Recovery Implementation			
Direct		19,505	-
15.904 Historic Preservation Fund Grants-In-Aid			
Direct		780,009	189,970
15.916 Outdoor Recreation Acquisition, Development and Planning			
Direct		2,545,264	2,545,264
15.957 Emergency Supplemental Historic Preservation Fund			
Direct		535,168	535,168
Department of the Interior Total		4,830,061	3,762,832
Department of Justice			
16.017 Sexual Assault Services Formula Program			
Direct		319,909	311,586
16.034 COVID-19 Coronavirus Emergency Supplemental Funding Program			
Direct		3,402,376	2,661,023
16.540 Juvenile Justice and Delinquency Prevention			
Direct		404,976	297,366
16.543 Missing Children's Assistance			
Direct		326,783	-
16.554 National Criminal History Improvement Program (NCHIP)			
Direct		797,148	-
16.575 Crime Victim Assistance			
Direct		32,734,353	31,775,421
16.576 Crime Victim Compensation			
Direct		2,789,002	-
16.582 Crime Victim Assistance/Discretionary Grants			
Direct		1,059,137	600,000

Grantor/Assistance Listing Number/Title	Pass-Through Grant Number	Federal Expenditures	Subrecipient Expenditures
NonCluster Programs			
16.588 Violence Against Women Formula Grants Direct		2,213,040	1,911,283
16.593 Residential Substance Abuse Treatment for State Prisoners Direct		79,327	54,781
16.607 Bulletproof Vest Partnership Program Direct		210,366	210,366
16.609 Project Safe Neighborhoods Direct		231,523	212,774
16.735 PREA Program: Strategic Support for PREA Implementation Direct		180,268	24,813
16.738 Edward Byrne Memorial Justice Assistance Grant Program Direct		3,575,068	3,213,130
16.741 DNA Backlog Reduction Program Direct		485,280	-
16.742 Paul Coverdell Forensic Sciences Improvement Grant Program Direct		680	-
16.745 Criminal and Juvenile Justice and Mental Health Collaboration Program Direct		3,125	-
16.750 Support for Adam Walsh Act Implementation Grant Program Direct		275,275	-
16.751 Edward Byrne Memorial Competitive Grant Program Direct		24,570	24,570
16.813 NICS Act Record Improvement Program Direct		364,622	-
16.827 Justice Reinvestment Initiative Direct		160,904	-
16.835 Body Worn Camera Policy and Implementation Direct		2,256	-
16.836 Indigent Defense Direct		113,341	-
16.838 Comprehensive Opioid, Stimulant, and Substance Abuse Program Direct		290,594	231,035
16.922 Equitable Sharing Program Direct		97,470	-
16.U01 Federal Bureau of Investigation Facilities Contracts Unit Direct		15,521	-
16.U02 Domestic Cannabis Eradication/Suppression Program (DCE/SP) Direct		146,075	-
Department of Justice Total		50,302,989	41,528,148
Department of Labor			
17.005 Compensation and Working Conditions Direct		87,404	-
17.235 Senior Community Service Employment Program Direct		1,048,189	944,116
17.268 H-1B Job Training Grants Direct		377,742	-
17.285 Apprenticeship USA Grants Direct		2,123,683	-
17.503 Occupational Safety and Health State Program Direct		2,183,257	-

Grantor/Assistance Listing Number/Title	Pass-Through Grant Number	Federal Expenditures	Subrecipient Expenditures
NonCluster Programs			
17.504 Consultation Agreements Direct		739,714	-
Department of Labor Total		6,559,989	944,116
Department of Transportation			
20.106 Airport Improvement Program and COVID-19 Airports Programs Direct		185,037	-
20.232 Commercial Driver's License Program Implementation Grant Direct		114,027	-
20.240 Fuel Tax Evasion-Intergovernmental Enforcement Effort Direct		22,770	-
20.301 Railroad Safety Direct		1,910	-
20.608 Minimum Penalties for Repeat Offenders for Driving While Intoxicated Direct		847,683	279,378
20.614 National Highway Traffic Safety Administration (NHTSA) Discretionary Safety Grants and Cooperative Agreements Direct		202,915	-
20.615 E-911 Grant Program Direct		1,219,384	-
20.703 Interagency Hazardous Materials Public Sector Training and Planning Grants Direct		375,697	375,697
Department of Transportation Total		2,969,423	655,075
Department of the Treasury			
21.016 Equitable Sharing Direct		139,208	-
21.019 COVID-19 Coronavirus Relief Fund Direct		1,744,602,649	1,654,910,144
21.U01 COVID-19 CPB CARES Assistance Passed through Corporation for Public Broadcasting	None	122,732	-
21.U02 Power Commission Fees Direct		4,837	-
Department of the Treasury Total		1,744,869,426	1,654,910,144
Appalachian Regional Commission			
23.002 Appalachian Area Development Direct		593,463	593,463
23.011 Appalachian Research, Technical Assistance, and Demonstration Projects Direct		165,872	-
Appalachian Regional Commission Total		759,335	593,463
General Services Administration			
39.003 Donation of Federal Surplus Personal Property Direct		3,973,685	-
39.011 Election Reform Payments Direct		19,025	-
General Services Administration Total		3,992,710	-
National Foundation on the Arts and the Humanities			
45.025 Promotion of the Arts Partnership Agreements Direct		770,703	101,159
45.025 COVID-19 Promotion of the Arts Partnership Agreements Direct		106,426	106,426
45.025 Promotion of the Arts Partnership Agreements Total		877,129	207,585

Grantor/Assistance Listing Number/Title	Pass-Through Grant Number	Federal Expenditures	Subrecipient Expenditures
NonCluster Programs			
45.129 Promotion of the Humanities Federal/State Partnership Passed through South Carolina Humanities Council	BER 20-75-6	7,000	-
45.301 Museums for America Passed through South Carolina State Museum Foundation	MA-30-18-0256-18 MA-245298-OMS-20	85,144 7,130	- -
45.301 Museums for America Total		92,274	-
45.310 Grants to States			
Direct		3,145,727	239,199
45.310 COVID-19 Grants to States			
Direct		221,363	42,000
45.310 Grants to States Total		3,367,090	281,199
National Foundation on the Arts and the Humanities Total		4,343,493	488,784
Small Business Administration			
59.061 State Trade Expansion Direct		182,670	136,000
Small Business Administration Total		182,670	136,000
Department of Veterans Affairs			
64.005 Grants to States for Construction of State Home Facilities Direct		23,729,355	-
64.124 All-Volunteer Force Educational Assistance Direct		374,947	-
Department of Veterans Affairs Total		24,104,302	-
Environmental Protection Agency			
66.034 Surveys, Studies, Research, Investigations, Demonstrations, and Special Purpose Activities Relating to the Clean Air Act Direct		501,910	-
66.040 Diesel Emissions Reduction Act (DERA) State Grants Direct		220,336	179,406
66.312 State Environmental Justice Cooperative Agreement Program Direct		3,595	-
66.419 Water Pollution Control State, Interstate, and Tribal Program Support Direct		437,903	68,384
66.444 Lead Testing in School and Child Care Program Drinking Water (SDWA 1464(d)) Direct		24,324	-
66.454 Water Quality Management Planning Direct		175,349	109,821
66.460 Nonpoint Source Implementation Grants Direct		2,538,581	1,658,584
66.461 Regional Wetland Program Development Grants Direct		152,189	-
66.605 Performance Partnership Grants Direct		7,358,776	-
66.802 Superfund State, Political Subdivision, and Indian Tribe Site-Specific Cooperative Agreements Direct		536,534	-
66.804 Underground Storage Tank (UST) Prevention, Detection, and Compliance Program Direct		486,941	-
66.805 Leaking Underground Storage Tank Trust Fund Corrective Action Program Direct		1,107,671	-
66.809 Superfund State and Indian Tribe Core Program Cooperative Agreements Direct		107,858	-

Grantor/Assistance Listing Number/Title	Pass-Through Grant Number	Federal Expenditures	Subrecipient Expenditures
NonCluster Programs			
66.817 State and Tribal Response Program Grants Direct		592,739	-
66.818 Brownfields Multipurpose, Assessment, Revolving Loan Fund, and Cleanup Cooperative Agreements Direct		18,127	-
Environmental Protection Agency Total		14,262,833	2,016,195
Department of Energy			
81.041 State Energy Program Direct		1,871,339	1,014,611
81.042 Weatherization Assistance for Low-Income Persons Direct		2,638,525	2,327,746
81.086 Conservation Research and Development Direct		87,132	-
81.104 Environmental Remediation and Waste Processing and Disposal Direct		15,586	-
81.106 Transport of Transuranic Wastes to the Waste Isolation Pilot Plant: States and Tribal Concerns, Proposed Solutions Direct		42,376	-
Passed through Southern States Energy Board			
	DE-EM-0003189; SSEB-930WIPP-SC-DHEC-2015-016amd	147	-
	SSEB-920WIPP-SC-EMD-2021	100,829	-
	DE-EM-0005215; SSEB-920WIPP-SC-DHEC-2021-000	128,719	-
81.106 Transport of Transuranic Wastes to the Waste Isolation Pilot Plant: States and Tribal Concerns, Proposed Solutions Total		272,071	-
81.214 Environmental Monitoring/Cleanup, Cultural and Resource Mgmt., Emergency Response Research, Outreach, Technical Analysis Direct		3,407,002	133,405
81.U01 State Energy Conservation Direct		1,002,312	949,392
Department of Energy Total		9,293,967	4,425,154
Department of Education			
84.002 Adult Education - Basic Grants to States Direct		8,678,307	7,615,140
84.010 Title I Grants to Local Educational Agencies Direct		244,987,675	242,728,882
84.011 Migrant Education State Grant Program Direct		722,783	190,087
84.013 Title I State Agency Program for Neglected and Delinquent Children and Youth Direct		533,405	533,405
84.048 Career and Technical Education -- Basic Grants to States Direct		20,625,823	17,604,676
84.126 Rehabilitation Services Vocational Rehabilitation Grants to States Direct		50,757,039	-
84.144 Migrant Education Coordination Program Direct		241,870	-
84.177 Rehabilitation Services Independent Living Services for Older Individuals Who are Blind Direct		367,832	-
84.181 Special Education-Grants for Infants and Families Direct		7,271,701	-
84.184 School Safety National Activities (formerly, Safe and Drug-Free Schools and Communities-National Programs) Direct		341,743	-
84.187 Supported Employment Services for Individuals with the Most Significant Disabilities Direct		347,614	-
84.196 Education for Homeless Children and Youth Direct		847,790	690,360

Grantor/Assistance Listing Number/Title	Pass-Through Grant Number	Federal Expenditures	Subrecipient Expenditures
NonCluster Programs			
84.282 Charter Schools Direct		3,912,606	3,815,318
84.287 Twenty-First Century Community Learning Centers Direct		12,108,919	11,193,040
84.305 Education Research, Development and Dissemination Direct		101,759	-
84.326 Special Education Technical Assistance and Dissemination to Improve Services and Results for Children with Disabilities Direct		122,370	-
84.358 Rural Education Direct		1,404,878	1,305,485
84.365 English Language Acquisition State Grants Direct		3,832,015	3,694,223
84.367 Supporting Effective Instruction State Grants (formerly Improving Teacher Quality State Grants) Direct		27,029,078	24,995,414
84.369 Grants for State Assessments and Related Activities Direct		5,413,936	-
84.377 School Improvement Grants Direct		4,631,351	4,560,532
84.424 Student Support and Academic Enrichment Program Direct		17,352,752	17,171,806
84.425B COVID-19 Discretionary Grants: Rethink K-12 Education Models Grants Direct		3,617,846	-
84.425C COVID-19 Governor's Emergency Education Relief (GEER) Fund Direct		2,352,544	2,352,544
84.425D COVID-19 Elementary and Secondary School Emergency Relief (ESSER) Fund Direct		145,233,562	132,320,874
84.425R COVID-19 Coronavirus Response and Relief Supplemental Appropriations Act, 2021 - Emergency Assistance to Non-Public Schools (CRRSA EANS) Direct		16,319,494	-
84.425 COVID-19 Education Stabilization Fund Total		167,523,446	134,673,418
84.426 COVID-19 Randolph-Sheppard – Financial Relief and Restoration Payments Direct		849,858	-
84.938 Disaster Recovery Assistance for Education Direct		15,458	15,458
84.U01 American Printing House for the Blind (APH) - Non Cash Passed through American Printing House	None	89,502	-
Department of Education Total		580,111,510	470,787,244
Election Assistance Commission			
90.404 2018 HAVA Election Security Grants Direct		3,375,458	-
90.404 COVID-19 2018 HAVA Election Security Grants Direct		6,192,127	-
90.404 2018 HAVA Election Security Grants Total		9,567,585	-
Election Assistance Commission Total		9,567,585	-
Department of Health and Human Services			
93.008 Medical Reserve Corps Small Grant Program Passed through National Association of County and City Health Officials	6 HITEP 150032-02-13:MRC 20-1151	2,500	-
93.041 Special Programs for the Aging, Title VII, Chapter 3, Programs for Prevention of Elder Abuse, Neglect, and Exploitation Direct		37,856	28,648

Grantor/Assistance Listing Number/Title	Pass-Through Grant Number	Federal Expenditures	Subrecipient Expenditures
NonCluster Programs			
93.042 Special Programs for the Aging, Title VII, Chapter 2, Long Term Care Ombudsman Services for Older Individuals			
Direct		366,761	360,011
93.042 COVID-19 Special Programs for the Aging, Title VII, Chapter 2, Long Term Care Ombudsman Services for Older Individuals			
Direct		130,208	130,208
93.042 Special Programs for the Aging, Title VII, Chapter 2, Long Term Care Ombudsman Services for Older Individuals Total		496,969	490,219
93.043 Special Programs for the Aging, Title III, Part D, Disease Prevention and Health Promotion Services			
Direct		235,509	217,615
93.048 Special Programs for the Aging, Title IV, and Title II, Discretionary Projects			
Direct		255,211	139,885
93.048 COVID-19 Special Programs for the Aging, Title IV, and Title II, Discretionary Projects			
Direct		467,519	454,941
93.048 Special Programs for the Aging, Title IV, and Title II, Discretionary Projects Total		722,730	594,826
93.052 National Family Caregiver Support, Title III, Part E			
Direct		2,600,936	2,480,244
93.052 COVID-19 National Family Caregiver Support, Title III, Part E			
Direct		1,311,771	1,311,771
93.052 National Family Caregiver Support, Title III, Part E Total		3,912,707	3,792,015
93.069 Public Health Emergency Preparedness			
Direct		6,051,901	-
93.071 Medicare Enrollment Assistance Program			
Direct		465,447	465,447
93.072 Lifespan Respite Care Program			
Direct		325,202	252,892
93.073 Birth Defects and Developmental Disabilities - Prevention and Surveillance			
Direct		327,775	-
93.074 Hospital Preparedness Program (HPP) and Public Health Emergency Preparedness (PHEP) Aligned Cooperative Agreements			
Direct		36	-
93.079 Cooperative Agreements to Promote Adolescent Health through School-Based HIV/STD Prevention and School-Based Surveillance			
Direct		104,608	36,000
93.092 Affordable Care Act (ACA) Personal Responsibility Education Program			
Direct		500,297	361,037
93.093 Health Profession Opportunity Grants			
Direct		2,092,837	-
93.103 Food and Drug Administration Research			
Direct		1,474,320	42,469
Passed through National Association of County and City Health Officials	5U5OFD005933-05;2021-032203	1,451	-
Passed through Association of Food and Drug Officials	G-ME-2004-02326	22,906	-
	G-SE-2004-02356	21,013	-
	G-MP-1910-08111	17,499	-
	G-SP-2010-08858	63	-
93.103 Food and Drug Administration Research Total		1,537,252	42,469
93.110 Maternal and Child Health Federal Consolidated Programs			
Direct		71,963	-
Passed through Association of Public Health Laboratories, Inc	UG8MC31893;56300-600-158-20-12	47,997	-
	UG8MC31893;56300-600-158-21-21	243,597	-
Passed through Association of Maternal & Child Health Programs	1 UF3MC31237-01-00	17,000	-
Passed through Infant Mental Health Association	5 U2DMC32394-03	21,608	-
93.110 Maternal and Child Health Federal Consolidated Programs Total		402,165	-
93.116 Project Grants and Cooperative Agreements for Tuberculosis Control Programs			
Direct		814,123	-
93.118 Acquired Immunodeficiency Syndrome (AIDS) Activity			
Direct		196,902	-

Grantor/Assistance Listing Number/Title	Pass-Through Grant Number	Federal Expenditures	Subrecipient Expenditures
NonCluster Programs			
93.127 Emergency Medical Services for Children Direct		120,133	-
93.130 Cooperative Agreements to States/Territories for the Coordination and Development of Primary Care Offices Direct		188,092	-
93.136 Injury Prevention and Control Research and State and Community Based Programs Direct		3,764,416	572,127
93.136 COVID-19 Injury Prevention and Control Research and State and Community Based Programs Direct		19,185	19,185
93.136 Injury Prevention and Control Research and State and Community Based Programs Total		3,783,601	591,312
93.150 Projects for Assistance in Transition from Homelessness (PATH) Direct		645,117	-
93.197 Childhood Lead Poisoning Prevention Projects, State and Local Childhood Lead Poisoning Prevention and Surveillance of Blood Lead Levels in Children Direct		423,889	20,111
93.217 Family Planning Services Direct		6,455,010	-
93.235 Title V State Sexual Risk Avoidance Education (Title V State SRAE) Program Direct		901,481	722,746
93.236 Grants to States to Support Oral Health Workforce Activities Passed through Medical University of South Carolina			
	5 T12HP28882-05-00;A00-2147-S001	65,777	-
	5 T12HP28882-06-03	82,382	-
93.236 Grants to States to Support Oral Health Workforce Activities Total		148,159	-
93.243 Substance Abuse and Mental Health Services Projects of Regional and National Significance Direct		6,674,843	2,114,863
Passed through Vibrant Emotional Health			
	5H79SM080382-02	137,759	-
93.243 Substance Abuse and Mental Health Services Projects of Regional and National Significance Total		6,812,602	2,114,863
93.251 Early Hearing Detection and Intervention Direct		111,849	-
93.268 Immunization Cooperative Agreements Direct		75,499,437	-
93.268 COVID-19 Immunization Cooperative Agreements Direct		8,367,910	-
93.268 Immunization Cooperative Agreements Total		83,867,347	-
93.270 Viral Hepatitis Prevention and Control Direct		767,932	286,693
93.297 Teenage Pregnancy Prevention Program Passed through South Carolina Campaign To Prevent Teen Pregnancy			
	1 TP1AH000126-05-00: ML-0-315	184	-
	1 TP1AH000126-01-00:LC-6-527	8,358	-
Passed through Fact Forward Advancing Reproductive Health			
	1 TP2AH000064-01-00;ML-1-590	17,334	-
	1 TP2AH000064-01-00;LC-1-592	21,398	-
Passed through South Carolina Center for Fathers and Families			
	1TP1AH000214-01-00	125,090	-
Passed through Fact Forward			
	1TP1AH000133-01-00	22,884	-
93.297 Teenage Pregnancy Prevention Program Total		195,248	-
93.305 PPHF 2018: Office of Smoking and Health-National State-Based Tobacco Control Programs-Financed in part by 2018 Prevention and Public Health funds (PPHF) Direct		187,204	5,356
93.314 Early Hearing Detection and Intervention Information System (EHDI-IS) Surveillance Program Direct		74,648	-
93.323 Epidemiology and Laboratory Capacity for Infectious Diseases (ELC) Direct		2,334,141	-
93.323 COVID-19 Epidemiology and Laboratory Capacity for Infectious Diseases (ELC) Direct		166,020,395	538,319
93.323 Epidemiology and Laboratory Capacity for Infectious Diseases (ELC) Total		168,354,536	538,319

Grantor/Assistance Listing Number/Title	Pass-Through Grant Number	Federal Expenditures	Subrecipient Expenditures
NonCluster Programs			
93.324 State Health Insurance Assistance Program Direct		758,994	592,666
93.336 Behavioral Risk Factor Surveillance System Direct		368,159	-
93.354 COVID-19 Public Health Emergency Response: Cooperative Agreement for Emergency Response: Public Health Crisis Response Direct		2,610,633	-
93.366 State Actions to Improve Oral Health Outcomes and Partner Actions to Improve Oral Health Outcomes Direct		512,374	17,201
93.369 ACL Independent Living State Grants Direct		370,931	-
93.387 National and State Tobacco Control Program Direct		1,421,709	205,593
93.421 Strengthening Public Health Systems and Services through National Partnerships to Improve and Protect the Nation's Health Passed through The Nemours Foundation	5 NU38OT000304-01-02;SCDHEC-8614151008-01 2 5 NU38OT000304-03-00;SCDHEC-8614151011-01	68,803 48,894	64,000 39,500
93.421 COVID-19 Strengthening Public Health Systems and Services through National Partnerships to Improve and Protect the Nation's Health Passed through National Association of Chronic Disease Directors	5-NU38OT000286-3;2842021	131,118	-
93.421 Strengthening Public Health Systems and Services through National Partnerships to Improve and Protect the Nation's Health Total		248,815	103,500
93.426 Improving the Health of Americans through Prevention and Management of Diabetes and Heart Disease and Stroke Direct		1,428,698	332,841
93.434 Every Student Succeeds Act/Preschool Development Grants Direct		2,734,991	350,078
93.435 Innovative State and Local Public Health Strategies to prevent and Manage Diabetes and Heart Disease and Stroke Direct		1,422,563	699,366
93.436 Well-Integrated Screening and Evaluation for Women Across the Nation (Wisewoman) Direct		52,535	3,196
93.470 Alzheimer's Disease Program Initiative (ADPI) Direct		87,703	-
93.471 COVID-19 Title IV-E Kinship Navigator Program Direct		50,079	-
93.498 COVID-19 Provider Relief Fund and American Rescue Plan (ARP) Rural Distribution Direct Passed through Health Management Resources Veterans Services	None	4,923,548 2,141,995	- -
93.498 COVID-19 Provider Relief Fund and American Rescue Plan (ARP) Rural Distribution Total		7,065,543	-
93.539 PPHF Capacity Building Assistance to Strengthen Public Health Immunization Infrastructure and Performance financed in part by Prevention and Public Health Funds Direct		1,888,502	-
93.556 MaryLee Allen Promoting Safe and Stable Families Program Direct		7,096,391	384,150
93.558 Temporary Assistance for Needy Families Direct		111,169,254	2,014,568
93.558 COVID-19 Temporary Assistance for Needy Families Direct		393,501	-
93.558 Temporary Assistance for Needy Families Total		111,562,755	2,014,568
93.563 Child Support Enforcement Direct		41,013,482	14,801,816
93.566 Refugee and Entrant Assistance State/Replacement Designee Administered Programs Direct		656,976	167,268

Grantor/Assistance Listing Number/Title	Pass-Through Grant Number	Federal Expenditures	Subrecipient Expenditures
NonCluster Programs			
93.568 Low-Income Home Energy Assistance			
Direct		43,096,606	42,001,024
93.568 COVID-19 Low-Income Home Energy Assistance			
Direct		11,894,621	11,894,621
93.568 Low-Income Home Energy Assistance Total		54,991,227	53,895,645
93.569 Community Services Block Grant			
Direct		10,595,241	10,200,126
93.569 COVID-19 Community Services Block Grant			
Direct		5,462,551	5,462,551
93.569 Community Services Block Grant Total		16,057,792	15,662,677
93.586 State Court Improvement Program			
Direct		411,546	-
93.597 Grants to States for Access and Visitation Programs			
Direct		106,572	-
93.599 Chafee Education and Training Vouchers Program (ETV)			
Direct		322,014	-
93.599 COVID-19 Chafee Education and Training Vouchers Program (ETV)			
Direct		138,817	-
93.599 Chafee Education and Training Vouchers Program (ETV) Total		460,831	-
93.603 Adoption and Legal Guardianship Incentive Payments			
Direct		3,445	-
93.630 Developmental Disabilities Basic Support and Advocacy Grants			
Direct		865,655	567,890
93.634 Support for Ombudsman and Beneficiary Counseling Programs for States Participating in Financial Alignment Model Demonstrations for Dually Eligible Individuals			
Direct		308,623	19,708
93.643 Children's Justice Grants to States			
Direct		252,977	-
93.645 Stephanie Tubbs Jones Child Welfare Services Program			
Direct		7,735,717	-
93.645 COVID-19 Stephanie Tubbs Jones Child Welfare Services Program			
Direct		172,312	-
93.645 Stephanie Tubbs Jones Child Welfare Services Program Total		7,908,029	-
93.658 Foster Care Title IV-E			
Direct		53,327,211	-
93.659 Adoption Assistance			
Direct		27,496,790	-
93.665 COVID-19 Emergency Grants to Address Mental and Substance Use Disorders During COVID-19			
Direct		837,224	-
93.667 Social Services Block Grant			
Direct		28,403,808	-
93.669 Child Abuse and Neglect State Grants			
Direct		796,140	-
93.671 Family Violence Prevention and Services/Domestic Violence Shelter and Supportive Services			
Direct		2,011,215	1,766,303
93.671 COVID-19 Family Violence Prevention and Services/Domestic Violence Shelter and Supportive Services			
Direct		463,611	459,503
93.671 Family Violence Prevention and Services/Domestic Violence Shelter and Supportive Services Total		2,474,826	2,225,806
93.674 John H. Chafee Foster Care Program for Successful Transition to Adulthood			
Direct		949,220	133,964
93.674 COVID-19 John H. Chafee Foster Care Program for Successful Transition to Adulthood			
Direct		743,368	-
93.674 John H. Chafee Foster Care Program for Successful Transition to Adulthood Total		1,692,588	133,964
93.686 Ending the HIV Epidemic: A Plan for America — Ryan White HIV/AIDS Program Parts A and B			
Direct		284,092	-
93.747 COVID-19 Elder Abuse Prevention Interventions Program			
Direct		84,921	-

Grantor/Assistance Listing Number/Title	Pass-Through Grant Number	Federal Expenditures	Subrecipient Expenditures
NonCluster Programs			
93.758 Preventive Health and Health Services Block Grant funded solely with Prevention and Public Health Funds (PPHF) Direct		777,689	10,529
93.767 Children's Health Insurance Program Direct		179,447,318	-
93.788 Opioid STR Direct		20,216,050	14,980,856
93.791 Money Follows the Person Rebalancing Demonstration Direct		97,181	-
93.817 Hospital Preparedness Program (HPP) Ebola Preparedness and Response Activities Direct		162,912	162,912
93.870 Maternal, Infant and Early Childhood Home Visiting Grant Passed through The Children's Trust of South Carolina			
	X10MC32219;S-MIEC-F-2018-5-1	44,383	-
	S-MIEC-F-2019-5-1:LC-1-591	123,824	-
93.870 Maternal, Infant and Early Childhood Home Visiting Grant Total		168,207	-
93.879 Medical Library Assistance Passed through University of Maryland	5UG4LM012340-05	15,000	-
93.889 National Bioterrorism Hospital Preparedness Program Direct		2,470,337	914,775
93.889 COVID-19 National Bioterrorism Hospital Preparedness Program Direct		899,659	382,905
93.889 National Bioterrorism Hospital Preparedness Program Total		3,369,996	1,297,680
93.898 Cancer Prevention and Control Programs for State, Territorial and Tribal Organizations Direct		5,164,113	832,302
93.917 HIV Care Formula Grants Direct		25,835,187	17,693,619
93.917 COVID-19 HIV Care Formula Grants Direct		781,641	3,218
93.917 HIV Care Formula Grants Total		26,616,828	17,696,837
93.940 HIV Prevention Activities Health Department Based Direct		6,663,321	1,377,588
93.941 HIV Demonstration, Research, Public and Professional Education Projects Direct		30,002	-
93.958 Block Grants for Community Mental Health Services Direct		9,568,263	-
93.959 Block Grants for Prevention and Treatment of Substance Abuse Direct		23,333,311	21,179,765
93.977 Sexually Transmitted Diseases (STD) Prevention and Control Grants Direct		1,492,738	33,944
93.982 Mental Health Disaster Assistance and Emergency Mental Health Direct		2,755,017	-
93.991 Preventive Health and Health Services Block Grant Direct		1,074,298	59,445
93.994 Maternal and Child Health Services Block Grant to the States Direct		10,722,124	187,068
Department of Health and Human Services Total		961,054,162	160,557,427
Corporation for National and Community Service			
94.006 AmeriCorps Direct		295,879	14,326
Corporation for National and Community Service Total		295,879	14,326

Grantor/Assistance Listing Number/Title	Pass-Through Grant Number	Federal Expenditures	Subrecipient Expenditures
NonCluster Programs			
Executive Office of the President			
95.001 High Intensity Drug Trafficking Areas Program Direct		534,428	-
Executive Office of the President Total		534,428	-
Department of Homeland Security			
97.008 Non-Profit Security Program Direct		154,315	154,315
97.012 Boating Safety Financial Assistance Direct		2,451,123	-
97.023 Community Assistance Program State Support Services Element (CAP-SSSE) Direct		211,594	-
97.029 Flood Mitigation Assistance Direct		630,061	610,348
97.032 COVID-19 Crisis Counseling Direct		75,697	75,697
97.036 Disaster Grants - Public Assistance (Presidentially Declared Disasters) Direct		53,289,800	49,681,902
97.036 COVID-19 Disaster Grants - Public Assistance (Presidentially Declared Disasters) Direct		149,596,040	115,194,063
97.036 Disaster Grants - Public Assistance (Presidentially Declared Disasters) Total		202,885,840	164,875,965
97.039 Hazard Mitigation Grant Direct		17,605,220	16,721,637
97.041 National Dam Safety Program Direct		201,900	-
97.042 Emergency Management Performance Grants Direct		6,108,841	6,108,841
97.043 State Fire Training Systems Grants Direct		9,291	-
97.044 Assistance to Firefighters Grant Direct		509,307	-
97.045 Cooperating Technical Partners Direct		2,006,699	-
97.047 BRIC: Building Resilient Infrastructure and Communities Direct		910,601	843,213
97.056 Port Security Grant Program Direct		102,577	-
97.067 Homeland Security Grant Program Direct		4,293,046	2,756,040
97.082 Earthquake Consortium Direct		43,315	3,289
97.088 Disaster Assistance Projects Direct		1,566,430	-
97.133 Preparing for Emerging Threats and Hazards Direct		220,401	-
Department of Homeland Security Total		239,986,258	192,149,345
Total NonCluster Programs		4,220,451,980	2,588,444,078
TOTAL FEDERAL EXPENDITURES		\$ 12,501,392,696	\$ 3,280,333,426

Notes to the Schedule of Expenditures of Federal Awards

STATE OF SOUTH CAROLINA
Notes to the Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2021

NOTE 1 – SIGNIFICANT ACCOUNTING POLICIES

Entity

For purposes of complying with the Single Audit Act Amendments of 1996 and Uniform Guidance, the State of South Carolina (the State) is defined in a manner consistent with the entity defined in the basic financial statements as of and for the year ended June 30, 2021, except that certain agencies and component units included in the basic financial statements are excluded in the accompanying Schedule of Expenditures of Federal Awards because these agencies and component units engaged other auditors to perform an audit in accordance with the Single Audit Act and Uniform Guidance, as applicable. The excluded agencies and component units for the year ended June 30, 2021 are as follows:

Aiken Technical College	Northeastern Technical College
Central Carolina Technical College	Orangeburg-Calhoun Technical College
Clemson University	Piedmont Technical College
Coastal Carolina University	South Carolina State University
College of Charleston	Spartanburg Community College
Denmark Technical College	State Housing Finance and Development Authority
Department of Employment and Workforce	Technical College of the Lowcountry
Department of Transportation	The Citadel
Florence-Darlington Technical College	Tri-County Technical College
Francis Marion University	Trident Technical College
Greenville Technical College	University of South Carolina
Horry-Georgetown Technical College	Williamsburg Technical College
Lander University	Winthrop University
Medical University of South Carolina	York Technical College
Midlands Technical College	

Basis of Accounting

The expenditures presented in the accompanying Schedule of Expenditures of Federal Awards were developed from the South Carolina Enterprise Information System (SCEIS). SCEIS is the State's accounting system which serves as the primary source of information in the preparation of the State's financial statements.

The expenditures reported in Schedule 1 and the related note disclosures are presented using the cash basis of accounting. Under the cash basis of accounting, expenditures are recognized when cash is disbursed rather than when the obligation is incurred. Federal revenues and expenditures are included primarily in the governmental funds in the State's financial statements.

Non-Cash Federal Programs

The State is the recipient of federal financial assistance programs that do not result in cash receipts or disbursements, termed "non-cash programs". The distributions under these programs are included in the accompanying Schedule of Expenditures of Federal Awards.

STATE OF SOUTH CAROLINA
Notes to the Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2021

NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Non-Cash Federal Programs (Continued)

As of June 30, 2021 there were non-cash expenditures that occurred within the State. The non-cash expenditures are listed below.

Program Title	Assistance Listing	Non-Cash Expenditure
National School Lunch Program	10.555	\$32,049,233
Special Projects-National Telecommunications & Information Administration	11.533	\$17,599
Donation of Federal Surplus Personal Property	39.003	\$3,973,685
American Printing House for the Blind	84.U01	\$89,502
Immunization and Vaccines for Children Program	93.268	\$73,331,068

Assistance Listings

The system for award management is a government-wide listing of individual federal programs. Each listed program is assigned a five-digit program assistance listing number (ALN) which is reflected in Schedule 1 as assigned on the sam.gov website.

Federal financial assistance programs and contracts which have not been assigned an ALN, or where management has been unable to determine the ALN, are considered "Other Federal Assistance" and identified with the federal agency two-digit prefix and a State-assigned suffix in Schedule 1 (State agencies traditionally use U0# as the suffix).

NOTE 2 - DE MINIMIS INDIRECT COST RATE

The State did not use the de minimis cost rate.

NOTE 3 - LOAN PROGRAMS

There were no outstanding federal loan balances and loan guarantees at the end of the year.

NOTE 4 - MATCHING COSTS

Matching costs, or the non-federal share of certain program costs, are included in the accompanying Schedule of Expenditures of Federal Awards when the federal and State portions of costs are combined and the State portion cannot be separately identified.

NOTE 5 - RELATIONSHIP TO FEDERAL FINANCIAL REPORTS

The amounts reported in the accompanying Schedule of Expenditures of Federal Awards are prepared on the basis explained in Note 1 and do not necessarily agree with amounts reported using regulations and guidelines of individual agencies or grants.

STATE OF SOUTH CAROLINA
Notes to the Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2021

NOTE 6 - WIC REBATES

During the fiscal year ended June 30, 2021, the South Carolina Department of Health and Environmental Control received cash rebates from infant formula manufacturers in the amount of \$27,408,620 on sales of formula to participants in the WIC program (ALN 10.557). Rebate contracts with infant formula manufacturers are authorized by 7 CFR 246.16a as a cost containment measure. Rebates represent a reduction of expenditures previously incurred for WIC food benefit costs.

NOTE 7 - PASSTHROUGH OF EXPENDITURES WITHIN REPORTING ENTITY

Some State agencies transfer federal assistance to other State agencies such as a pass-through of funds by the primary recipient State agency to a subrecipient State agency. In this case, the federal expenditures are only reported once on the Schedule of Expenditures of Federal Awards. This method avoids duplication and the overstatement of the aggregate level of federal financial assistance expended by the State.

NOTE 8 - UNAUDITED COVID-19 PERSONAL PROTECTIVE EQUIPMENT DONATED

As of June 30, 2021, there was COVID-19 personal protective equipment donated to the State. The unaudited fair market value of the donated personal protective equipment is listed below.

Program Title	Assistance Listing	Agency	Fair Market Value
Disaster Grants - Public Assistance (Presidentially Declared Disasters)	97.036	SC Department of Health and Environmental Control	\$28,490,410

Schedule of Findings and Questioned Costs

STATE OF SOUTH CAROLINA
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2021

SECTION I – SUMMARY OF AUDITOR’S RESULTS

Financial Statements

Type of report the auditor issued on whether the financial statements audited were prepared in accordance with generally accepted accounting principles (GAAP):

Unmodified

Internal control over financial reporting:

Material weaknesses identified?

X yes ___no

Significant deficiencies identified that are not considered to be material weaknesses?

___yes X none reported

Noncompliance material to financial statements noted?

___yes X no

Federal Awards

Internal control over major programs:

Material weaknesses identified?

X yes ___no

Significant deficiencies identified that are not considered to be material weaknesses?

X yes ___none reported

Type of auditor’s report issued on compliance for major programs:

Unmodified for all major programs except for the following programs which were ***qualified***:

10.542, 12.401, 93.659, 93.767,
and Medicaid Cluster

STATE OF SOUTH CAROLINA
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2021

SECTION I – SUMMARY OF AUDITOR’S RESULTS (CONTINUED)

Any audit findings disclosed that are required
to be reported in accordance with 2 CFR 200.516(a) Xyes no
of the Uniform Guidance?

Identification of major programs:

<u>ALN</u>	<u>Name of Federal Program or Cluster</u>
10.542	Pandemic EBT Food Benefits
10.557	WIC Special Supplemental Nutrition Program for Women, Infants, and Children
12.401	National Guard Military Operations and Maintenance (O&M) Projects
16.575	Crime Victim Assistance
21.019	Coronavirus Relief Fund
66.458	Capitalization Grants for Clean Water State Revolving Funds
84.424	Student Support and Academic Enrichment Program
84.425	Education Stabilization Fund
93.323	Epidemiology and Laboratory Capacity for Infectious Diseases (ELC)
93.568	Low-Income Home Energy Assistance
93.659	Adoption Assistance
93.767	Children’s Health Insurance Program
97.039	Hazard Mitigation Grant
Various ¹	Child Nutrition Cluster
Various ¹	Medicaid Cluster

¹ – See Schedule of Expenditures of Federal Awards for Assistance Listing Numbers

Dollar threshold used to distinguish between
Type A and Type B programs: \$ 30,000,000

Auditee qualified as low-risk auditee? yes Xno

SOUTH CAROLINA COMPTROLLER GENERAL'S OFFICE (E12)

2021 – 001. Financial Reporting - Preparation of Statewide Accounting Records and Annual Comprehensive Financial Report (Annual Report) Comptroller General's Office

Criteria: Statements on Auditing Standards (AU-C 200.14) requires that Management acknowledge and understand that they have responsibility for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Condition: Internal controls over financial reporting were inadequate to prevent or detect misstatements during the preparation of the State's Comprehensive Annual Financial Report (Annual Report) and in the supporting accounting records, requiring the Comptroller General's Office (CGO) to post adjustments to the State's Annual Report.

Context: The CGO is responsible for compilation of the Annual Report from reporting packages and audited financial statements submitted from State agencies. There were several misstatements, both immaterial and material, in the compilation of the Annual Report which were not detected or corrected by the CGO supervisory staff during the review process and as a result, audit adjustments were recorded.

Cause: These errors were not detected during CGO supervisory staff review.

Effect: Amounts included in the financial statements were inaccurate and, as a result, audit adjustments were required.

Recommendation: We recommend the CGO review its current processes and procedures over identifying and recording adjustments related to reporting packages and other audited financial statements for inclusion in the statewide Annual Report and strengthen its review procedures.

Views of Responsible Officials and Corrective Action Plan: See page 7 of Independent Auditors' Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards for fiscal year end June 30, 2021 dated November 12, 2021 which can be found on the Office of the State Auditor's website.

SOUTH CAROLINA ATTORNEY GENERAL'S OFFICE (E20)

2021-002. Reporting

Federal Agency: Department of Justice

Federal Program Title: Crime Victim Assistance

Assistance Listing: 16.575

Federal Grant ID Number: 2017-VA-GX-4040

Pass-Through Entity: Not applicable

Award Period: October 1, 2016 through September 30, 2020

Type of Finding: Significant deficiency in internal control over compliance, other matters

Criteria: Per 2 CFR 200.303 Internal controls, the non-federal entity must: (a) Establish and maintain effective internal control over the federal award that provides reasonable assurance that the non-federal entity is managing the federal award in compliance with federal statutes, regulations, and the terms and conditions of the federal award.

Condition: A reporting discrepancy was identified on a federal financial report filed by the Office.

Questioned Costs: None

Context: On one of five SF-425 reports selected for testing, reported recipient share of expenditures did not agree to applicable Office supporting documentation. The Office submitted an amended report to correct the discrepancy identified during the audit.

Cause: A portion of recipient share activity was mistakenly excluded from the report and the discrepancy was not detected during the Office's review and approval process.

Effect: Recipient share of expenditures was misstated on a federal financial report.

Recommendation: We recommend that the Office strengthen its internal controls and processes to ensure that federal reports are free from error prior to submission.

Prior Year Single Audit Report Finding Number: Not applicable

Views of Responsible Officials and Corrective Action Plan: Management agrees with the finding. See Corrective Action Plan at page 96.

SOUTH CAROLINA ATTORNEY GENERAL'S OFFICE (E20) (CONTINUED)

2021-003. Subrecipient Monitoring

Federal Agency: Department of Justice

Federal Program Title: Crime Victim Assistance

Assistance Listing: 16.575

Federal Grant ID Number: Various

Pass-Through Entity: Not applicable

Award Period: Various

Type of Finding: Significant deficiency in internal control over compliance, other matters

Criteria: 2 CFR 200.332 (d) describes pass-through entity requirements for reviewing single audit reports of subrecipients, including requirements for follow-up and management decisions on applicable audit findings.

28 CFR 94.106 (b) specifies the pass-through entity frequency requirements for on-site monitoring of subrecipients.

Condition: The Office was not in compliance with several subrecipient monitoring requirements.

Questioned Costs: None

Context: The following discrepancies were encountered during testing of twelve subrecipients selected for testing:

- Two subrecipient single audit reports were not obtained for review in accordance with federal monitoring requirements.
- Three subrecipients had single audit findings where documentation was not adequate to demonstrate appropriate follow-up or management decision on the findings.
- Nine subrecipients did not receive site visits within the timeframe set out in the monitoring plan.

Cause: The global pandemic's impact on staffing and equipment contributed to the Office's inability to fully comply with certain monitoring requirements.

Effect: The Office was not in compliance with certain federal subrecipient monitoring requirements.

Recommendation: We recommend that the Office review and strengthen subrecipient monitoring controls and procedures to ensure compliance with all federal subrecipient monitoring requirements.

SOUTH CAROLINA ATTORNEY GENERAL'S OFFICE (E20) (CONTINUED)
2021-003. Subrecipient Monitoring (continued)

Prior Year Single Audit Report Finding Number: Not applicable

Views of Responsible Officials and Corrective Action Plan: Management agrees with the finding. See Corrective Action Plan at page 96.

SOUTH CAROLINA DEPARTMENT OF HEALTH AND HUMAN SERVICES (J02)

2021 – 004. Annual Eligibility Reviews

Federal Agency: Department of Health and Human Services

Federal Program Title: Medicaid Cluster; Children's Health Insurance Program (CHIP)

Assistance Listing No.: 93.775, 93.777, 93.778; 93.767

Federal Grant ID Number: 05-2005SC5MAP, 05-1905SC5021

Pass-Through Entity: Not applicable

Award Period: October 1, 2018 through September 30, 2021

Type of Finding: Material weakness in internal control over compliance, material noncompliance

Criteria: Section 2.1 of the Department's Title XIX (Medicaid) State Plan (Application, Determination of Eligibility and Furnishing Medicaid) affirms that it meets the requirements outlined in 42 CFR Part 435.916, which states in part, that the agency must promptly determine eligibility between regular renewals of eligibility. In addition, Section 101.10 of the South Carolina Medicaid Policies and Procedures Manual states that the Department must complete an annual review for certain payment categories. Furthermore, the Department's Title XXI (CHIP) State Plan attests that CHIP will operate as a Medicaid expansion program. Therefore, the aforementioned regulation and policies apply to both programs.

Condition: The Department did not consistently perform timely annual eligibility reviews for Medicaid and CHIP recipients in accordance with Section 101.10 of the South Carolina Medicaid Policies and Procedures Manual.

Questioned Costs: Unknown

SOUTH CAROLINA DEPARTMENT OF HEALTH AND HUMAN SERVICES (J02)
(CONTINUED)

2021 – 004. Annual Eligibility Reviews (continued)

Context: We tested 120 individual recipients (60 each for Medicaid and CHIP) to ensure the Department complied with applicable eligibility requirements. We determined the Department did not comply with the annual review requirement for 37 Medicaid recipients and 43 CHIP recipients.

Cause: Department personnel stated they did not comply with the annual review requirement for these recipients due to a backlog in case processing.

Effect: In the absence of an annual review, Medicaid and CHIP recipients may continue to receive benefits without meeting eligibility requirements.

Recommendation: We recommend eligibility reviews be performed annually in accordance with the South Carolina Medicaid Policies and Procedures Manual.

Prior Year Single Audit Finding Number: 2020-006

Views of Responsible Officials and Corrective Action Plan: Management agrees with the finding. See Corrective Action Plan at page 98.

2021 – 005. Documentation of Eligibility

Federal Agency: Department of Health and Human Services

Federal Program Title: Medicaid Cluster; Children's Health Insurance Program (CHIP)

Assistance Listing No.: 93.775, 93.777, 93.778; 93.767

Federal Grant ID Number: 05-2005SC5MAP; 05-1905SC5021

Pass-Through Entity: Not applicable

Award Period: October 1, 2018 through September 30, 2021

Type of Finding: Significant deficiency in internal control over compliance, other matters

Criteria: Per 42 CFR 435.914 (a), the agency must include in each applicant's case record facts to support the agency's decision on his or her application. In addition, Section 4.7 of the Department's Title XIX (Medicaid) State Plan (Maintenance of Records) affirms that it meets the requirements outlined in 42 CFR 431.17 (b), that a State plan must provide that the Medicaid agency will maintain or supervise the maintenance of records necessary for the proper and efficient operation of the plan. Furthermore, the Department's Title XXI (CHIP) State Plan attests that CHIP will operate as a Medicaid expansion program. Therefore, the aforementioned regulations apply to both programs.

SOUTH CAROLINA DEPARTMENT OF HEALTH AND HUMAN SERVICES (J02)
(CONTINUED)

2021 – 005. Documentation of Eligibility (continued)

Condition: Eligibility files did not contain adequate documentation to support the Medicaid and CHIP recipients' eligibility statuses.

Questioned Costs: Unknown

Context: We tested 120 individual recipients (60 each for Medicaid and CHIP) to ensure the Department complied with applicable eligibility requirements. We determined the Department did not maintain adequate documentation of eligibility for ten Medicaid recipients and five CHIP recipients.

Cause: The Department transitioned to an online eligibility system, the Medicaid Eligibility Determination System (MEDS), in July 2013. According to Department personnel, documentation in some of the paper files may not have been scanned into the system since the transition. For cases opened after the transition, the omissions were due to worker error.

Effect: The Department could not support eligibility determinations in accordance with its State plan.

Recommendation: We recommend the Department continue its efforts to maintain documentation to support eligibility determinations in accordance with its State plan and federal regulations.

Prior Year Single Audit Finding Number: 2020-004

Views of Responsible Officials and Corrective Action Plan: Management agrees with the finding. See Corrective Action Plan at page 100.

2021 – 006. Matching, Level of Effort, Earmarking

Federal Agency: Department of Health and Human Services

Federal Program Title: Medicaid Cluster

Assistance Listing No.: 93.775, 93.777, 93.778

Federal Grant ID Number: 05-2005SC5MAP

Pass-Through Entity: Not applicable

SOUTH CAROLINA DEPARTMENT OF HEALTH AND HUMAN SERVICES (J02)
(CONTINUED)

2021 – 006. Matching, Level of Effort, Earmarking (continued)

Award Period: October 1, 2020 through September 30, 2021

Type of Finding: Significant deficiency in internal control over compliance, other matters

Criteria: Per 42 CFR 433.10 (c) (1), under Section 1905 (a) (5) of the Act, the federal share of state expenditures for family planning services is 90 percent. In addition, per the Centers for Medicare & Medicaid Services (CMS) State Medicaid Director Letter 14-003, family planning related services are matched at the states' regular federal medical assistance percentage. Also, per 42 CFR 433.10 (c) (5) (i), under section 1933(d) of the Act, the federal share of state expenditures for Medicare Part B premiums described in section 1905(p)(3)(A)(ii) of the Act on behalf of Qualifying Individuals described in section 1902(a)(10)(E)(iv) of the Act, is 100 percent, to the extent that the assistance does not exceed the state's allocation under paragraph (c)(5)(ii) of this section. To the extent that the assistance exceeds that allocation, the federal share is 0 percent.

Condition: The Department did not comply with the federal matching requirement for family planning services, family planning related services, or Part B assistance premium payments.

Questioned Costs: None

Context: We tested 60 individual claims to ensure the Department complied with matching requirements. We determined the Department did not use the proper Federal Medical Assistance Percentage (FMAP) for all (two) of the family planning related services selected for testing as well as one of the Part B assistance premium payments selected for testing.

Cause: Department personnel stated that an improper modifier was used causing sexually transmitted infection testing and treatment services to map to the incorrect internal fund code and FMAP. Also, Department personnel stated, regarding the Part B assistance premium payment, that an incorrect functional area was assigned to the report's translation table, resulting in the incorrect FMAP being used. Staff realized the error and corrected the translation table to the correct functional area. However, staff failed to follow through to ensure the entry was posted correctly or to process a journal entry in the accounting system to correct the posting.

Effect: The Department's controls did not consistently detect errors identified which could lead to improper payments.

SOUTH CAROLINA DEPARTMENT OF HEALTH AND HUMAN SERVICES (J02)
(CONTINUED)

2021 – 006. Matching, Level of Effort, Earmarking (continued)

Recommendation: We recommend the Department correct the errors in MMIS and strengthen its controls to ensure errors are corrected when identified.

Prior Year Single Audit Finding Number: Not applicable

Views of Responsible Offices and Corrective Action Plan: Management agrees with the finding. See Corrective Action Plan at page 102.

2021 – 007. Special Tests and Provisions-Managed Care Financial Audit

Federal Agency: Department of Health and Human Services

Federal Program Title: Medicaid Cluster; Children's Health Insurance Program

Assistance Listing No.: 93.775, 93.777, 93.778, 93.767

Federal Grant ID Number: 05-2005SC5MAP, 05-1905SC5021

Pass-Through Entity: Not applicable

Award Period: October 1, 2020 through September 30, 2021

Type of Finding: Significant deficiency in internal control over compliance, other matters

Criteria: Per 42 CFR 438.602 (e), the state must periodically, but no less frequently than once every 3 years, conduct, or contract for the conduct of, an independent audit of the accuracy, truthfulness, and completeness of the encounter and financial data submitted by, or on behalf of, each Managed Care Organization (MCO), Prepaid Inpatient Health Plan (PIHP) or Prepaid Ambulatory Health Plan (PAHP). In addition, per 42 CFR 438.602 (g), the state must post on its Web site, as required in 438.10(c)(3), the following documents and reports: (1) The MCO, PIHP, PAHP, or Primary Care Case Management (PCCM) entity contract. (2) The data at 438.604(a)(5). (3) The name and title of individuals included in 438.604(a)(6). (4) The results of any audits under paragraph (e) of this section.

Condition: The Department did not conduct, or contract, for an independent audit of the accuracy, truthfulness, and completeness of the encounter and financial data submitted by, or on behalf of, each MCO.

Questioned Costs: None

Context: We selected all (5) MCOs to ensure the Department complied with Managed Care Financial Audit requirements, but the Department could not provide us with the required periodic audit reports.

SOUTH CAROLINA DEPARTMENT OF HEALTH AND HUMAN SERVICES (J02)
(CONTINUED)

2021 – 007. Special Tests and Provisions-Managed Care Financial Audit (continued)

Cause: Department personnel stated the periodic audits have not been conducted because they, along with the Department's contracted third-party actuary, analyze the encounter and financial data of the MCO on a quarterly and annual basis at the aggregate level.

Effect: The Department did not comply with the Special Tests and Provisions-Managed Care Financial Audit requirement.

Recommendation: We recommend the Department ensure required periodic audits are performed. The required reports and documents should then be posted to the Department's publicly accessible website.

Prior Year Single Audit Finding Number: Not applicable

Views of Responsible Officials and Corrective Action Plan: Management agrees with the finding. See Corrective Action Plan at page 103.

2021 – 008. Special Tests and Provisions-National Correct Coding Initiative (NCCI)

Federal Agency: Department of Health and Human Services

Federal Program Title: Medicaid Cluster

Assistance Listing No.: 93.775, 93.777, 93.778

Federal Grant ID Number: 05-2005SC5MAP

Pass-Through Entity: Not applicable

Award Period: October 1, 2020 through September 30, 2021

Type of Finding: Material weakness in internal control over compliance, material noncompliance

Criteria: The NCCI Policy Manual for Medicaid Services and the Medicaid NCCI Technical Guidance Manual require states to implement the required six NCCI methodologies and NCCI program requirements.

Condition: The Department could not provide support that it complied with the implementation of the required six NCCI methodologies and the NCCI program requirements in accordance with the NCCI Medicaid Policy Manual and the NCCI Medicaid Technical Guidance Manual.

Questioned Costs: None

SOUTH CAROLINA DEPARTMENT OF HEALTH AND HUMAN SERVICES (J02)
(CONTINUED)

2021 – 008. Special Tests and Provisions-National Correct Coding Initiative (NCCI)
(continued)

Context: We were unable to process test claims to determine if the Department complied with the NCCI Medicaid Policy Manual and the NCCI Medicaid Technical Guidance Manual.

Cause: The Department contracts with a third party to implement the required six NCCI methodologies and program requirements. The Department's only monitoring tool over the responsibilities performed by the third party is to review cost savings reports provided by them; the Department does not monitor or perform a test of claims throughout the year. The Department did not provide access to necessary systems or documentation to allow us to test claims to determine compliance.

Effect: In the absence of internal controls over the implementation of the Medicaid NCCI methodologies, the Department is unable to ensure that only proper payments of procedures are reimbursed.

Recommendation: We recommend the Department implement controls to ensure its third-party contractor has implemented the required six NCCI methodologies and NCCI program requirements.

Prior Year Single Audit Finding Number: Not applicable

Views of Responsible Officials and Corrective Action Plan: Management agrees with the finding. See Corrective Action Plan at page 104.

2021 – 009. Special Tests and Provisions-Medical Loss Ratio (MLR)

Federal Agency: Department of Health and Human Services

Federal Program Title: Medicaid Cluster; Children's Health Insurance Program

Assistance Listing No.: 93.775, 93.777, 93.778, 93.767

Federal Grant ID Number: 05-2005SC5MAP, 05-1905SC5021

Pass-Through Entity: Not applicable

Award Period: October 1, 2020 through September 30, 2021

Type of Finding: Significant deficiency in internal control over compliance, other matters

Criteria: Per 42 CFR 438.8(k)(1), the state, through its contracts, must require each MCO, PIHP, or PAHP to submit a report to the state that includes at least the following

SOUTH CAROLINA DEPARTMENT OF HEALTH AND HUMAN SERVICES (J02)
(CONTINUED)

2021 – 009. Special Tests and Provisions-Medical Loss Ratio (MLR) (continued)

information for each MLR reporting year: (iii) Fraud prevention activities as defined in paragraph (e)(4) of this section.

Condition: The Department did not ensure reports submitted by managed care organizations (MCO) included all MLR report elements as required by federal regulations.

Questioned Costs: None

Context: The Department contracts with 5 MCOs. We tested all reports submitted by the MCOs to ensure they contained the required 13 elements and determined the reports did not contain any line item or note regarding fraud prevention activities.

Cause: Department personnel stated fraud prevention activities were excluded from the MLR reports due to the private market not yet incorporating fraud prevention activities in the MLR calculation.

Effect: The Department did not comply with the Special Tests and Provisions-Medical Loss Ratio requirement.

Recommendation: We recommend the Department ensure MLR reports submitted by MCOs comply with federal regulations.

Prior Year Single Audit Finding Number: Not applicable

Views of Responsible Officials and Corrective Action Plan: Management agrees with the finding. See Corrective Action Plan at page 105.

SOUTH CAROLINA OFFICE OF REGULATORY STAFF (R06)

2021 – 010. Activities Allowed or Unallowed and Allowable Costs/Cost Principles

Federal Agency: Department of the Treasury

Federal Program Title: Coronavirus Relief Fund – COVID-19

Assistance Listing No.: 21.019

Federal Grant ID Number: None provided

Pass-Through Entity: State of South Carolina

Award Period: March 1, 2020 through December 31, 2021

Type of Finding: Significant Deficiency in internal control over compliance, other matters

SOUTH CAROLINA OFFICE OF REGULATORY STAFF (R06) (CONTINUED)

2021 – 010. Activities Allowed or Unallowed and Allowable Costs/Cost Principles (continued)

Criteria: Per 2 CFR 200.303 Internal controls, the non-federal entity must: (a) Establish and maintain effective internal control over the federal award that provides reasonable assurance that the non-federal entity is managing the federal award in compliance with federal statutes, regulations, and the terms and conditions of the federal award.

Condition: Non-allowable costs were charged to the grant.

Questioned Costs: \$6,272

Context: Federal regulations state that non-federal entities may only use payments from the Fund to cover previously unbudgeted costs of necessary expenditures incurred as a result of the COVID-19 public health emergency. One of 71 non-payroll disbursements tested was for the costs of carpet cleaning services. These costs were neither previously unbudgeted nor necessary due to the public health emergency.

Cause: The Office's internal controls failed to prevent non allowable activities and costs from being charged to the grant.

Effect: The Office was not in compliance with certain federal regulations and applicable allowable costs/activities requirements.

Recommendation: We recommend the Office strengthen its internal controls and processes to ensure that all charges to the grant are allowable.

Prior Year Single Audit Finding Number: Not applicable

Views of Responsible Officials and Corrective Action Plan: Management agrees with the finding. See Corrective Action Plan at page 106.

SOUTH CAROLINA DEPARTMENT OF EDUCATION (H63)

2021 – 011. Activities Allowed or Unallowed and Allowable Costs/Cost Principles

Federal Agency: Department of the Treasury

Federal Program Title: Coronavirus Relief Fund – COVID-19

Assistance Listing No.: 21.019

Federal Grant ID Number: None provided

Pass-Through Entity: South Carolina Department of Administration

Award Period: March 1, 2020 through December 31, 2021

Type of Finding: Material Weakness in internal control over compliance, other matters

SOUTH CAROLINA DEPARTMENT OF EDUCATION (H63) (CONTINUED)

2021 – 011. Activities Allowed or Unallowed and Allowable Costs/Cost Principles (continued)

Criteria: Per 2 CFR 200.303 Internal controls, the non-federal entity must: (a) Establish and maintain effective internal control over the federal award that provides reasonable assurance that the non-federal entity is managing the federal award in compliance with federal statutes, regulations, and the terms and conditions of the federal award.

Condition: Fraud was committed by a school district employee. Each school district in the State was a beneficiary of the program and had expenditures funded by the South Carolina Department of Education (the Department).

Questioned Costs: \$548,391

Context: The procurement office of a beneficiary school district discovered misuse of funds by a school employee who steered the district to contract with companies he created and controlled for the purchase of equipment. The equipment was sold to the school district at a substantial markup. The now former school district employee pled guilty on January 27, 2022, to defrauding the school district. The questioned costs related to the fraud include \$130,000 overcharged for cameras, \$60,000 related to invoicing for sales tax and \$358,391 retained by the former employee failing to pay the camera vendor for the items delivered to the school district.

Cause: Department controls failed to prevent the identified misappropriation of funds.

Effect: \$548,391 of Coronavirus Relief Funds were misappropriated.

Recommendation: We recommend the Department strengthen controls to ensure that all costs charged to the grant are allowable.

Prior Year Single Audit Finding Number: Not applicable

Views of Responsible Officials and Corrective Action Plan: Management agrees with the finding. See Corrective Action Plan at page 107.

2021 – 012. Reporting

Federal Agency: Department of Education

Federal Program Title: Education Stabilization Fund – COVID-19

Assistance Listing No.: 84.425D

Federal Grant ID Number: S425D210019

SOUTH CAROLINA DEPARTMENT OF EDUCATION (H63) (CONTINUED)

2021 – 012. Reporting (continued)

Pass-Through Entity: None

Award Period: January 5, 2021 through September 30, 2022

Type of Finding: Significant Deficiency in internal control over compliance, other matters

Criteria: Per 2 CFR 170 Appendix A, the action should be reported in the Federal Funding Accountability and Transparency Act Subaward Reporting System (FSRS) no later than the last day of the month following the month in which the obligation was made.

Condition: The report was filed after the due date.

Questioned Costs: None

Context: The action was reported in FSRS on April 14, 2021, but was due no later than the last day of the month following the month in which the obligation was made (February 28, 2021).

Cause: Department controls failed to ensure timely report submission.

Effect: Noncompliance was noted with FSRS requirements.

Recommendation: We recommend the Department strengthen controls to ensure the FFATA report is submitted in FSRS in a timely manner.

Prior Year Single Audit Finding Number: Not applicable

Views of Responsible Officials and Corrective Action Plan: Management agrees with the finding. See Corrective Action Plan at page 108.

SOUTH CAROLINA DEPARTMENT OF SOCIAL SERVICES (L04)

2021-013. Eligibility/Allowable Costs/Cost Principles

Federal Agency: Department of Health and Human Services

Federal Program Title: Adoption Assistance

Assistance Listing: 93.659

Federal Grant ID Number: 2001SCADPT, 2101SCADPT

Pass-Through Entity: Not applicable

Award Period: October 1, 2019 through September 30, 2021

Type of Finding: Material weakness in internal control over compliance, material noncompliance

SOUTH CAROLINA DEPARTMENT OF SOCIAL SERVICES (L04) (CONTINUED)

2021-013. Eligibility/Allowable Costs/Cost Principles (continued)

Criteria: 45 CFR 75.361 outlines record retention requirements of the non-federal entity pertinent to the federal award.

45 CFR 1356.40(b)(1) requires the adoption assistance agreement be signed and in effect at the time of or prior to the final decree of adoption.

42 U.S.C. 673(c) explains the children with special needs criteria.

42 U.S.C. 675(8)(b) expands eligibility requirements for children over the age of eighteen.

Condition: Eligibility related discrepancies were encountered for some subsidy payments.

Questioned Costs: \$3,321

Context: Sixty payments charged to the program were selected for testing eligibility compliance. Seven of the payments tested contained eligibility discrepancies as follows:

- Documentation properly supported that the case was ineligible for program subsidy payments (two).
- Documentation contained information that was not consistent with meeting eligibility requirements (three).
- Documentation was insufficient to determine eligibility (two).

Additionally, three other subsidy payments tested were for children no longer eligible for payment.

Cause: Department controls failed to ensure eligibility was properly determined or applied, benefits were terminated timely, and records were appropriately retained. The ongoing global pandemic also limited the Department's ability to implement corrective action.

Effect: The Department did not comply with and/or could not demonstrate compliance with eligibility and allowable costs/cost principles requirements.

Recommendation: We recommend that the Department continue to implement corrective action for eligibility file controls.

Prior Year Single Audit Report Finding Number: 2020-027

SOUTH CAROLINA DEPARTMENT OF SOCIAL SERVICES (L04) (CONTINUED)

2021-013. Eligibility/Allowable Costs/Cost Principles (continued)

Views of Responsible Officials and Corrective Action Plan: Management agrees with the finding. See Corrective Action Plan at page 109.

2021-014. Reporting

Federal Agency: Department of Health and Human Services

Federal Program Title: Adoption Assistance

Assistance Listing: 93.659

Federal Grant ID Number: 2001SCADPT, 2101SCADPT

Pass-Through Entity: Not applicable

Award Period: October 1, 2019 through September 30, 2021

Type of Finding: Significant deficiency in internal control over compliance, other matters

Criteria: 45 CFR 75.303 requires effective internal controls be established and maintained in order to provide reasonable assurance that the federal award is being managed in compliance with federal statutes, regulations, and the terms and conditions of the federal award.

Condition: Discrepancies existed between federal financial reports and the Department's supporting records.

Questioned Costs: None

Context: Two CB-496 reports were selected for testing. Discrepancies were noted between supporting documentation and the reports. In Part 1, Section B of both reports, some activity was improperly reported as prior quarter adjustments. Errors were also identified in the Adoption Savings Calculation used in determining the amounts reported in Part 4 of the report.

Cause: The Department had not completely implemented the corrective action associated with this finding from the prior year.

Effect: The accuracy of the CB-496 reports could not be fully validated.

Recommendation: We recommend that the Department continue to strengthen its internal controls to ensure that federal reports are free from error and clearly supported prior to submission.

Prior Year Single Audit Report Finding Number: 2020-028

SOUTH CAROLINA DEPARTMENT OF SOCIAL SERVICES (L04) (CONTINUED)

2021-014. Reporting (continued)

Views of Responsible Officials and Corrective Action Plan: Management agrees with the finding. See Corrective Action Plan at page 110.

2021-015. Reporting

Federal Agency: Department of Agriculture

Federal Program Title: Pandemic EBT Food Benefits – COVID-19

Assistance Listing: 10.542

Federal Grant ID Number: None

Pass-Through Entity: Not applicable

Award Period: March 16, 2020 through June 11, 2021

Type of Finding: Material weakness in internal control over compliance, material noncompliance

Criteria: 2 CFR 200.303 requires effective internal controls be established and maintained in order to provide reasonable assurance that the federal award is being managed in compliance with federal statutes, regulations, and the terms and conditions of the federal award.

2 CFR 200.510(b) specifies the reporting requirements for the schedule of expenditures of federal awards (SEFA).

Condition: The total awards expended for the program could not be determined or identified on the Department's SEFA.

Questioned Costs: None

Context: The expenditure activity of the new program was not tracked in the Department's accounting system in a manner consistent with other grant programs and therefore was not included on the Department's SEFA.

Cause: Department controls failed to ensure consistent tracking of the program's expenditure activity in its accounting system and reporting controls did not detect and correct the resulting reporting error on the SEFA submitted for audit.

Effect: An audit adjustment was required to correct the Department's SEFA and some federal reports of the program required revision.

Recommendation: We recommend that the Department implement procedures to ensure that all new grant program activity is consistently accounted for in the Department's

SOUTH CAROLINA DEPARTMENT OF SOCIAL SERVICES (L04) (CONTINUED)

2021-015. Reporting (continued)

accounting system and that SEFA reporting does not exclude any expenditures required by federal reporting requirements.

Prior Year Single Audit Report Finding Number: None

Views of Responsible Officials and Corrective Action Plan: Management agrees with the finding. See Corrective Action Plan at page 111.

2021-016. Allowable Costs/Cost Principles

Federal Agency: Department of the Treasury

Federal Program Title: Coronavirus Relief Fund – COVID-19

Assistance Listing: 21.019

Federal Grant ID Number: None

Pass-Through Entity: South Carolina Department of Administration

Award Period: March 1, 2020 through December 31, 2021

Type of Finding: Significant deficiency in internal control over compliance, other matters

Criteria: 2 CFR 200.303 requires effective internal controls be established and maintained in order to provide reasonable assurance that the federal award is being managed in compliance with federal statutes, regulations, and the terms and conditions of the federal award.

Condition: Non-allowable costs were identified in charges to the grant.

Questioned Costs: \$4,691

Context: Three of the sixty-six expenditure transactions selected for inspection were recorded to the grant twice through two separate accounting transactions.

Cause: The Department identified allowable charges and recorded those charges to the grant through adjusting journal entries. The same transaction was mistakenly included in two separate journal entries and the duplication was not detected and corrected through the review and approval of the Department's journal entries.

Effect: The grant could be overcharged for some specific costs.

Recommendation: We recommend that the Department review the supporting documentation for the amounts charged to the grant to determine if the grant was overcharged and determine any necessary appropriate resolution for the closed grant program.

SOUTH CAROLINA DEPARTMENT OF SOCIAL SERVICES (L04) (CONTINUED)

2021-016. Allowable Costs/Cost Principles (continued)

Prior Year Single Audit Report Finding Number: None

Views of Responsible Officials and Corrective Action Plan: Management agrees with the finding. See Corrective Action Plan at page 111.

SOUTH CAROLINA OFFICE OF THE ADJUTANT GENERAL (E24)

2021-017. Reporting

Federal Agency: Department of Homeland Security

Federal Program Title: Hazard Mitigation Grant Program

Assistance Listing: 97.039

Federal Grant ID Number: Various

Pass-Through Entity: Not applicable

Award Period: Various

Type of Finding: Significant deficiency in internal control over compliance, other matters

Criteria: 2 CFR 170 Appendix A specifies the reporting and timing requirements for Federal Funding Accountability and Transparency Act (FFATA) reporting.

Condition: FFATA reporting and timing discrepancies were identified.

Questioned Costs: None

Context: Seven subawards were selected for testing and the following compliance discrepancies were identified during the testing:

- The reported subaward obligation/action date did not agree to the subaward agreement date for five subawards tested.
- The reported subaward Data Universal Numbering System (DUNS) number did not agree to the DUNS number on the subaward for one subaward tested.
- For the subawards tested, the action was not reported in the Federal Subaward Reporting System (FSRS) by the last day of the month following the month that the subaward was made.
- The Office was not able to access FSRS for one of the subawards selected in order to test reporting compliance for that subaward.

Cause: Data entry errors and administrative delays led to the compliance errors identified in the testing.

SOUTH CAROLINA OFFICE OF THE ADJUTANT GENERAL (E24) (CONTINUED)

2021-017. Reporting (continued)

Effect: Some information was not reported timely or accurately in accordance with the federal requirements.

Recommendation: We recommend that the Office strengthen its internal controls over FFATA reporting to ensure that all reporting is timely and accurate in accordance with the federal requirements.

Prior Year Single Audit Report Finding Number: Not applicable

Views of Responsible Officials and Corrective Action Plan: Management agrees with the finding. See Corrective Action Plan at page 113.

2021-018. Cash Management

Federal Agency: Department of Defense

Federal Program Title: National Guard Military Operations and Maintenance (O&M) Projects

Assistance Listing: 12.401

Federal Grant ID Number: Various

Pass-Through Entity: Not applicable

Award Period: October 1, 2019 through September 30, 2021

Type of Finding: Material weakness in internal control over compliance, material noncompliance

Criteria: National Guard Regulation (NGR) 5-1, Chapter 11-5 requires advance payments be disbursed by the state within forty-five days.

Condition: Advanced funds were not expended within the required timeframe to minimize the time elapsing between drawdown and disbursement.

Questioned Costs: None

Context: From forty drawdown transactions selected for testing, nineteen grants were identified as having unspent advance funds after forty-five days from the date the funds were advanced.

Cause: The timeframe for determining and returning excess advance funding exceeded forty-five days.

Effect: Advance funding was not spent or returned within forty-five days of receipt as required by federal regulation.

SOUTH CAROLINA OFFICE OF THE ADJUTANT GENERAL (E24) (CONTINUED)

2021-018. Cash Management (continued)

Recommendation: We recommend that the Office continue the implementation of corrective action to strengthen its internal controls over advance payments in order to demonstrate compliance with the federal requirements.

Prior Year Single Audit Report Finding Number: 2020-19

Views of Responsible Officials and Corrective Action Plan: Management agrees with the finding. See Corrective Action Plan at page 114.

2021-019. Period of Performance

Federal Agency: Department of Defense

Federal Program Title: National Guard Military Operations and Maintenance (O&M) Projects

Assistance Listing: 12.401

Federal Grant ID Number: W912QG-20-2-1001, W912QG-21-2-1001

Pass-Through Entity: Not applicable

Award Period: October 1, 2019 through September 30, 2021

Type of Finding: Significant deficiency in internal control over compliance, other matters

Criteria: 2 CFR 200.403(h) requires costs be incurred during the approved budget period.

NGR 5-1, Chapter 11-2 requires the obligation of funds within the federal fiscal year or period of federal availability.

Per NGR 5-1, Chapter 11-10, if unliquidated claims and undisbursed obligations remain ninety days after the close of the federal fiscal year, the recipient shall provide a detailed listing of uncleared obligations no later than December 31.

Condition: Expenditures, which did not meet the applicable requirements, were charged prior to and after the program's period of performance.

Questioned Costs: \$521

Context: Forty expenditure transactions were selected for testing from costs recorded during the first period of the program grants. One of the forty transactions tested was for a cost incurred prior to the applicable period of performance. In addition, nine transactions were selected for testing from costs recorded to program grants beyond ninety days after the close of the federal fiscal year. One of the nine transactions tested was not included on the detailed listing of unliquidated claims and undisbursed obligations.

SOUTH CAROLINA OFFICE OF THE ADJUTANT GENERAL (E24) (CONTINUED)

2021-019. Period of Performance (continued)

Cause: Office controls failed to prevent charging the grant for a cost incurred outside the applicable period of performance.

Effect: Costs charged outside the period of performance may not be allowable.

Recommendation: We recommend that the Office continue the implementation of corrective action to strengthen its internal controls to ensure documented compliance with all federal period of performance requirements.

Prior Year Single Audit Report Finding Number: 2020-20

Views of Responsible Officials and Corrective Action Plan: Management agrees with the finding. See Corrective Action Plan at page 115.

SOUTH CAROLINA DEPARTMENT OF HEALTH AND ENVIRONMENTAL CONTROL (J04)

2021 – 020. Activities Allowed or Unallowed and Allowable Costs/Cost Principles

Federal Agency: Department of the Treasury

Federal Program Title: Coronavirus Relief Fund – COVID-19

Assistance Listing No.: 21.019

Federal Grant ID Number: None provided

Pass-Through Entity: South Carolina Department of Administration

Award Period: March 1, 2020 through December 31, 2021

Type of Finding: Material weakness in internal control over compliance, other matters

Criteria: Per Federal Register Notice Volume 86, Number 10, payments from the Coronavirus Relief Fund (CRF) are not administered as part of a traditional grant program. The provisions of the Uniform Guidance, 2 CFR 200, that are applicable to indirect costs do not apply. Recipients do not apply their indirect cost rates to payments received from the CRF.

Additionally, per 2 CFR 200.303, the non-federal entity must establish and maintain effective internal control over the federal award that provides reasonable assurance that the non-federal entity is managing the federal award in compliance with federal statutes, regulations, and the terms and conditions of the federal award.

SOUTH CAROLINA DEPARTMENT OF HEALTH AND ENVIRONMENTAL CONTROL (J04)
(CONTINUED)

2021 – 020. Activities Allowed or Unallowed and Allowable Costs/Cost Principles (continued)

Condition: Indirect costs were improperly charged to the CRF.

Questioned Costs: \$4,590,544

Context: While examining expenditure populations to evaluate which costs were direct and material to the CRF, we noted activity charged to general ledger accounts designated for indirect costs.

Cause: Department controls failed to prevent the identified noncompliance issue noted above.

Effect: The identified indirect costs resulted in noncompliance with federal regulations and applicable allowable activities/costs requirements.

Recommendation: We recommend the Department strengthen controls to ensure that all costs charged to the CRF are for allowable grant activities and costs.

Prior Year Single Audit Finding Number: Not applicable

Views of Responsible Officials and Corrective Action Plan: Management agrees with the finding. See Corrective Action Plan at page 117.

2021 – 021. Reporting

Federal Agency: Department of Health and Human Services

Federal Program Title: Epidemiology and Laboratory Capacity for Infectious Diseases – COVID 19

Assistance Listing No.: 93.323

Federal Grant ID Number: 6 NU50CK000542-01-08

Pass-Through Entity: Not applicable

Award Period: August 1, 2019 through July 31, 2024

Type of Finding: Significant deficiency in internal control over compliance, other matters

Criteria: Per 2 CFR 200.303, the non-federal entity must establish and maintain effective internal control over the federal award that provides reasonable assurance that the non-federal entity is managing the federal award in compliance with federal statutes, regulations, and the terms and conditions of the federal award. These internal controls should be in compliance with guidance in "Standards for Internal Control in the Federal Government" issued by the Comptroller General of the United States and the "Internal

SOUTH CAROLINA DEPARTMENT OF HEALTH AND ENVIRONMENTAL CONTROL (J04)
(CONTINUED)

2021 – 021. Reporting (continued)

Control Integrated Framework", issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO).

Condition: Discrepancies existed between the federal financial report (FFR) and the Department's supporting records. Additionally, not all information reported on the FFR was reviewed by an employee other than the report preparer prior to submission.

Questioned Costs: None

Context: We tested information reported for all four FFR Payment Management System (PMS) document numbers that were required to be submitted for the reporting period ending July 31, 2020, for federal grant number 6 NU50CK000542-01-08. We noted two discrepancies between the FFR associated with PMS document number 19NU50CK000542 (nonprevention and public health funds) and the Department's supporting records. The federal share of indirect costs was understated by \$54,195 because the incorrect indirect cost base amount was transferred from the supporting worksheets to the FFR. Moreover, the federal share of expenditures did not agree to the supporting worksheets by approximately \$2,450. Additionally, the FFR component for PMS document number 19NU50CK000542C4 (COVID-19 paycheck protection and Health Care Enhancement Act response activities) was prepared and submitted by the same individual.

Cause: Department controls failed to identify and correct discrepancies noted in the federal reports prior to submission.

Effect: The FFR amounts did not agree to supporting documentation. Additionally, without a supervisory review, there is an increased risk of inaccurate reporting.

Recommendation: We recommend that the Department strengthen policies and procedures to ensure that all information reported on federal reports is accurate and that a segregation of duties exists between report preparers and reviewers.

Prior Year Single Audit Finding Number: Not applicable

Views of Responsible Officials and Corrective Action Plan: Management agrees with the finding. See Corrective Action Plan at page 118.

SOUTH CAROLINA DEPARTMENT OF HEALTH AND ENVIRONMENTAL CONTROL (J04)
(CONTINUED)

2021 – 022. Period of Performance

Federal Agency: Department of Agriculture

Federal Program Title: Special Supplemental Nutrition Program for Women, Infants, and Children (WIC)

Assistance Listing No.: 10.557

Federal Grant ID Number: 5SC700715

Pass-Through Entity: Not applicable

Award Period: October 1, 2019 through September 30, 2020

Type of Finding: Significant deficiency in internal control over compliance, other matters

Criteria: 2 CFR 200.403(h) states that costs must be incurred during the approved budget period.

Condition: An expenditure was incurred after the end of the grant's period of performance.

Questioned Costs: Undetermined

Context: For 1 of 40 expenditure transactions tested, program expenditures were incurred subsequent to the end of the grant's period of performance (September 30, 2020).

Cause: The Department's internal controls failed to identify and prevent expenditures from being charged outside the grant's period of performance.

Effect: The Department may request reimbursement for expenses not incurred within the period of performance.

Recommendation: We recommend that the Department strengthen internal controls to ensure all expenditures charged to federal awards are incurred during the grant's period of performance.

Prior Year Single Audit Finding Number: Not applicable

Views of Responsible Officials and Corrective Action Plan: Management agrees with the finding. See Corrective Action Plan at page 118.

Summary Schedule of Prior Audit Findings

STATE OF SOUTH CAROLINA
Summary Schedule of Prior Audit Findings
For the Year Ended June 30, 2021

Fiscal Year	Page Number	Finding Number	Title of Finding	Assistance Listing Number	State Agency	Agency Response	Auditor's Comment
<u>FEDERAL AWARD FINDINGS AND QUESTIONED COSTS</u>							
<u>ANNUAL COMPREHENSIVE FINANCIAL REPORT</u>							
2020	45	2020-001	Financial Reporting	N/A	E12	In Progress	See Finding Number 2021-001
2020	45	2020-002	Financial Reporting	N/A	E12	Fully Corrected with Previously Reported Corrective Action Implemented	Resolved
<u>US DEPARTMENT OF HEALTH AND HUMAN SERVICES</u>							
2020	46	2020-003	Allowable Costs/Cost Principles - Federal Share of Recoveries/Collections	93.775 93.777 93.778	J02	Partially Resolved	Resolved
2020	48	2020-004	Eligibility	93.775 93.777 93.778 93.767	J02	Resolved	See Finding Number 2021-005
2020	49	2020-005	Discontinuation of Benefits	93.775	J02	Partially Resolved	Resolved
2020	50	2020-006	Eligibility	93.775 93.777 93.778 93.767	J02	Partially Resolved	See Finding Number 2021-004
2020	52	2020-007	Statewide Cost Allocation Plan (SWCAP)	N/A	D50	Unresolved	Corrective Action Ongoing
2020	53	2020-008	Subrecipient Monitoring	93.044 93.045 93.053	L06	Fully Corrected with Previously Reported Corrective Action Implemented	Resolved
2020	54	2020-009	Matching	93.044 93.045 93.053	L06	Fully Corrected with Previously Reported Corrective Action Implemented	Resolved
2020	67	2020-022	Activities Allowed or Unallowed and Allowable Costs/Cost Principles	93.959	J20	Fully Corrected with Previously Reported Corrective Action Implemented	Resolved
2020	69	2020-023	Subrecipient Monitoring	93.788 93.959	J20	Fully Corrected with Previously Reported Corrective Action Implemented	Resolved
2020	70	2020-024	Reporting	93.788 93.959	J20	Fully Corrected with Previously Reported Corrective Action Implemented	Resolved
2020	72	2020-025	Reporting	93.788	J20	Fully Corrected with Previously Reported Corrective Action Implemented	Resolved
2020	73	2020-026	Cash Management	93.563 93.667 93.659	L04	Partially Resolved	Resolved

STATE OF SOUTH CAROLINA
Summary Schedule of Prior Audit Findings
For the Year Ended June 30, 2021

Fiscal Year	Page Number	Finding Number	Title of Finding	Assistance Listing Number	State Agency	Agency Response	Auditor's Comment
<u>FEDERAL AWARD FINDINGS AND QUESTIONED COSTS</u>							
2020	74	2020-027	Eligibility/Allowable Costs/Cost Principles	93.659	L04	Fully Corrected with Previously Reported Corrective Action Implemented	See Finding Number 2021-013
2020	75	2020-028	Reporting	93.659	L04	Fully Corrected with Previously Reported Corrective Action Implemented	See Finding Number 2021-014
2020	76	2020-029	Eligibility	93.658	L04	Partially Resolved	Resolved
2020	77	2020-030	Special Tests and Provisions	93.658	L04	Unresolved	Corrective Action Ongoing
2020	78	2020-031	Reporting	93.658	L04	Fully Corrected with Previously Reported Corrective Action Implemented	Corrective Action Ongoing
2020	79	2020-032	Activities Allowed or Unallowed and Allowable Costs/Cost Principles	93.658	L04	Partially Resolved	Corrective Action Ongoing
<u>US DEPARTMENT OF EDUCATION</u>							
2020	55	2020-010	Activities Allowed or Unallowed	84.027 84.173	H63	Fully Corrected with Previously Reported Corrective Action Implemented	Resolved
2020	56	2020-011	Allowable Cost/Cost Principles	84.126	H73	Fully Corrected with Previously Reported Corrective Action Implemented	Resolved
2020	57	2020-012	Earmarking	84.126	L24	Fully Corrected with Previously Reported Corrective Action Implemented	Resolved
2020	58	2020-013	Reporting	84.126	L24	Fully Corrected with Previously Reported Corrective Action Implemented	Resolved
2020	59	2020-014	Reporting	84.126	L24	Fully Corrected with Previously Reported Corrective Action Implemented	Resolved
2020	60	2020-015	Cash Management	84.126	L24	Fully Corrected with Previously Reported Corrective Action Implemented	Resolved
2020	61	2020-016	Activities Allowed or Unallowed and Allowable Costs/Cost Principles	84.126	L24	Fully Corrected with Previously Reported Corrective Action Implemented	Corrective Action Ongoing
2020	62	2020-017	Activities Allowed or Unallowed and Allowable Costs/Cost Principles	84.126	L24	Fully Corrected with Previously Reported Corrective Action Implemented	Resolved

STATE OF SOUTH CAROLINA
Summary Schedule of Prior Audit Findings
For the Year Ended June 30, 2021

Fiscal Year	Page Number	Finding Number	Title of Finding	Assistance Listing Number	State Agency	Agency Response	Auditor's Comment
<u>FEDERAL AWARD FINDINGS AND QUESTIONED COSTS</u>							
<u>US DEPARTMENT OF DEFENSE</u>							
2020	63	2020-018	Activities Allowed or Unallowed and Allowable Costs/Cost Principles	12.401	E24	Fully Corrected with Previously Reported Corrective Action Implemented	Resolved
2020	64	2020-019	Cash Management	12.401	E24	Partially Resolved	See Finding Number 2021-018
2020	65	2020-020	Period of Performance	12.401	E24	Partially Resolved	See Finding Number 2021-019
2020	66	2020-021	Reporting	12.401	E24	Partially Resolved	Resolved



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WILLIAM E. GUNN
CHIEF OF STAFF

State of South Carolina
Summary Schedule of Prior Audit Findings
6/30/2021

Reference Number	2020-001
Federal Agency	N/A ACFR
State Agency	Comptroller General's Office
CFDA Number	N/A ACFR
Federal Program Name	N/A ACFR
Compliance Requirement	N/A ACFR
Type of Finding	N/A ACFR

Condition

Internal controls over financial reporting were inadequate to prevent or detect misstatements during the preparation of the State's Annual Comprehensive Financial Report (ACFR) and in the supporting accounting records, requiring the Comptroller General's Office (CGO) to post adjustments to the State's ACFR.

Current Status

In progress

Comment

The Comptroller General's Office has been attempting to hire additional professional staff, as our Financial Reporting Department is very small compared to most states within the United States. We, like many other states (Comptroller Generals' Offices and Auditors' Offices alike), are having a hard time finding qualified candidates to fill vacant financial reporting positions due to the challenging labor market and the deleterious impact of COVID-19. We intend to continue trying to hire additional staff, which will free-up management to oversee more of the work being done by the financial reporting staff.

State of South Carolina
Summary Schedule of Prior Audit Findings
6/30/2021

Reference Number	2020-002
Federal Agency	N/A
State Agency	ACFR
	Election Commission
CFDA Number	N/A
	ACFR
Federal Program Name	N/A
	ACFR
Compliance Requirement	N/A
	ACFR
Type of Finding	ACFR

Condition

Internal controls over the financial close and reporting process related to grants and contributions reporting packages were inadequate to ensure accurate and timely submission of the grants and contributions reporting package to the Comptroller General's Office (CGO).

Current Status

Fully Corrected with Previously Reported Corrective Action Implemented

Comment

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The State of South Carolina
Military Department



1 NATIONAL GUARD ROAD
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State of South Carolina
Summary Schedule of Prior Audit Findings
6/30/2021

Reference Number	2020-002
Federal Agency	N/A ACFR
State Agency	South Carolina Adjutant General's Office
CFDA Number	N/A ACFR
Federal Program Name	N/A ACFR
Compliance Requirement	N/A ACFR
Type of Finding	N/A ACFR

Condition

Internal controls over the financial close and reporting process related to grants and contributions reporting packages were inadequate to ensure accurate and timely submission of the grants and contributions reporting package to the Comptroller General's Office (CGO).

Current Status

Fully Corrected with Previously Reported Corrective Action Implemented

Comment



Henry McMaster GOVERNOR

Robert M. Kerr DIRECTOR

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State of South Carolina
Summary Schedule of Prior Audit Findings
6/30/2021

Reference Number	2020-003
Federal Agency	Department of Health and Human Services
State Agency	South Carolina Department of Health and Human Services
CFDA Number	93.775, 93.777, 93.778
Federal Program Name	Medicaid Cluster
Compliance Requirement	B. Allowable Costs/Cost Principles
Type of Finding	Compliance & Control

Condition

The Department did not remit the federal share of recoveries and collections to the Medicaid program in accordance with federal regulations and the State Medicaid Manual.

Current Status

Partially Resolved - Comment Below

Comment

We are continuing to review files both monthly and quarterly. On June 8, 2021, we spoke with SCEIS via email about our workflow request which would require all newly established and adjusting receivables to workflow to team lead/management for review before posting, and it was their suggestion that we use ZHHS_FB70 for 3-6 months in SFY2022 and determine if workflow is truly needed. Function ZHHS_FB70 allows the analysts to enter corresponding dates which links with the PCA tables in SCEIS and automatically split with the proper rates. In July 2021 SFY2022, ZHHS_FB70 was fully implemented by our staff.





Henry McMaster GOVERNOR

Robert M. Kerr DIRECTOR

P.O. Box 8206 > Columbia, SC 29202

www.scdhhs.gov

Reference Number 2020-004

Federal Agency Department of Health and Human Services

State Agency South Carolina Department of Health and Human Services

CFDA Number 93.775, 93.777, 93.778; 93.767

Federal Program Name Medicaid Cluster; Children's Health Insurance Program (CHIP)

Compliance Requirement E. Eligibility

Type of Finding Compliance & Control

Condition

Eligibility files did not contain adequate documentation to support the Medicaid and CHIP recipients' eligibility statuses.

Current Status Resolved

Comment: As described in the state's Corrective Action Plan, Eligibility Quality Assurance (EQA) reviews are utilized to identify prevalence of errors that are most likely to impact eligibility.

Q2 and Q3 2021 EQA Results**Overall Accuracy:**

MAGI TOTAL QUALITY REVIEWS	2145	1913	1951	1887	1896	1797	1708
MAGI REVIEWS CORRECT	1927	1731	1745	1617	1697	1556	1492
MAGI ACCURACY RATE	90%	90%	89%	86%	90%	87%	87%
NON MAGI TOTAL QUALITY REVIEWS	1666	1586	1546	1467	1348	1127	1136
NON MAGI REVIEWS CORRECT	1580	1485	1458	1301	1146	921	953
NON MAGI ACCURACY RATE	95%	94%	94%	89%	85%	82%	84%
LTC TOTAL QUALITY REVIEWS	951	868	811	762	819	655	599
LTC REVIEWS CORRECT	921	833	777	735	790	615	536
LTC ACCURACY RATE	97%	96%	96%	96%	96%	94%	89%
TOTAL QUALITY REVIEWS	4762	4367	4308	4116	4063	3579	3443
TOTAL REVIEWS CORRECT	4428	4049	3980	3653	3633	3092	2981
TOTAL ACCURACY RATE	93%	93%	92%	89%	89%	86%	87%



Documentation Error Rates:

Error Code/Description	# of Errors	% of Total Overall Errors	% of Total Cases Reviewed
1.2 Application could not be located in case file.	5	.36%	.04%
2.1 Case record is missing social security or proof of application	22	2%	.19%
3.1 Case record is missing citizenship/ lawful presence documentation	1	.07%	.01%
12.1 The Level of Care could not be located in case record or Phoenix	1	.07%	.01%

Findings continue to be shared with supervisors for discussion with staff who made the errors as part of monthly employee feedback meetings for corrective measures to be identified and implemented.

Reference Number 2020-005

Federal Agency Department of Health and Human Services

State Agency South Carolina Department of Health and Human Services

CFDA Number 93.767

Federal Program Name Children's Health Insurance Program (CHIP)

Compliance Requirement E. Eligibility

Type of Finding Compliance & Control

Condition

The Department did not consistently discontinue the benefits of ineligible recipients.

Current Status Partially Resolved

Comment

Staff Capacity and Processing Centers: Five processing centers in Richland, Aiken, Spartanburg and Florence Counties have remained operational during the public health emergency (PHE). However, at the start of the public health emergency (PHE), the state halted the redetermination process and only processed reviews received in CY 2021. Review policies and procedures were adapted to meet requirements of the Families First Coronavirus Response Act, protecting eligibility for beneficiaries unless one of the exception criteria was met. The state is currently preparing to reinstate the redetermination process for when the public health emergency ends. This includes a 12-month plan for the distribution and processing of reviews, with priority placed on individuals likely no longer eligible for Medicaid or likely eligible in another category. To achieve this goal, the state has developed a hiring plan

to remedy staff attrition that has occurred during the PHE, which includes current hiring of Non-MAGI and Long-Term Care eligibility specialists, as well as a plan to hire additional eligibility specialists of all types once the PHE ends to handle in influx of reviews, in addition to applications received due to churn once beneficiaries no longer have eligibility once protected by the PHE. The agency will utilize workload management data on a daily, weekly, and monthly basis to evaluate the volume of incoming and completed reviews. The workload management team meets with eligibility managers weekly to discuss progress, trends, barriers to timely processing, as well as to adjust the distribution and prioritization of work.

Reference Number 2020-006

Federal Agency Department of Health and Human Services

State Agency South Carolina Department of Health and Human Services

CFDA Number 93.775, 93.777, 93.778; 93.767

Federal Program Name Medicaid Cluster; Children's Health Insurance Program (CHIP)

Compliance Requirement E. Eligibility

Type of Finding Compliance & Control

Condition

The Department did not consistently perform timely annual eligibility reviews for Medicaid and CHIP recipients in accordance with Section 101.10 of the South Carolina Medicaid Policies and Procedures Manual.

Current Status Partially Resolved

Comment

Staff Capacity and Processing Centers: Five processing centers in Richland, Aiken, Spartanburg and Florence Counties have remained operational during the public health emergency (PHE). However, at the start of the public health emergency (PHE), the state halted the redetermination process and only processed reviews received in CY 2021. Review policies and procedures were adapted to meet requirements of the Families First Coronavirus Response Act, protecting eligibility for beneficiaries unless one of the exception criteria was met. The state is currently preparing to reinstate the redetermination process for when the public health emergency ends. This includes a 12-month plan for the distribution and processing of reviews, with priority placed on individuals likely no longer eligible for Medicaid or likely eligible in another category. To achieve this goal, the state has developed a hiring plan to remedy staff attrition that has occurred during the PHE, which includes current hiring of Non-MAGI and Long-Term Care eligibility specialists, as well as a plan to hire additional eligibility specialists of all types once the PHE ends to handle in influx of reviews, in addition to applications received due to churn once beneficiaries no longer have eligibility once protected by the PHE. The agency will utilize workload management data on a daily, weekly, and monthly basis to evaluate the volume of incoming and completed reviews. The workload management team meets with eligibility managers weekly to discuss progress, trends, barriers to timely processing, as well as to adjust the distribution and prioritization of work.

State of South Carolina
Summary Schedule of Prior Audit Findings
6/30/2021

Reference Number	2020-07
Federal Agency	U.S. Department of Health and Human Services
State Agency	South Carolina Department of Administration
CFDA Number	N/A-SWCAP
Federal Program Name	N/A-SWCAP
Compliance Requirement	N/A-SWCAP
Type of Finding	N/A-SWCAP

Condition

The Executive Budget Office (Office) was unable to provide the 2018 SWCAP and supporting documentation.

Current Status

Unresolved - Comment Below

Comment

After an in-depth review of the SWCAP requirements, discussions with other states and US HHS Cost Allocation Services (CAS) staff, the State opted to procure the services of an external consulting firm that specializes in the preparation of governmental cost allocation plans. On January 14, 2022, the State contracted with Maximus to prepare the State's 2018 and 2019 SWCAPs. The contract calls for these SWCAPs to be completed and submitted to CAS by March 31, 2022. The State has been in communication with CAS and they are aware of the State's commitment to submitting the outstanding SWCAPs.





State of South Carolina
Department on Aging

Henry McMaster
Governor

Connie D. Munn
Director

State of South Carolina
Summary Schedule of Prior Audit Findings
6/30/2021

Reference Number 2020-08
Federal Agency Department of Health and Human Services
State Agency South Carolina Department of Aging
CFDA Number 93.044, 93.045, 93.053
Federal Program Name Aging Cluster
Compliance Requirement M. Subrecipient Monitoring
Type of Finding Compliance & Control

Condition

The Department failed to comply with its policies for monitoring the programs and activities of its subrecipients.

Current Status

Fully Corrected with Previously Reported Corrective Action Implemented

Comment



State of South Carolina
Department on Aging

Henry McMaster
Governor

Connie D. Munn
Director

State of South Carolina
Summary Schedule of Prior Audit Findings
6/30/2021

Reference Number 2020-009
Federal Agency Department of Health and Human Services
State Agency South Carolina Department of Aging
CFDA Number 93.044, 93.045, 93.053
Federal Program Name Aging Cluster
Compliance Requirement G. Matching, Level of Effort, Earmarking
Type of Finding Compliance & Control

Condition

Discrepancies existed between non-federal share amounts reported to meet matching requirements and the supporting accounting records.

Current Status

Fully Corrected with Previously Reported Corrective Action Implemented

Comment



STATE OF SOUTH CAROLINA
DEPARTMENT OF EDUCATION

MOLLY M. SPEARMAN
STATE SUPERINTENDENT OF EDUCATION

State of South Carolina
Summary Schedule of Prior Audit Findings
6/30/2021

Reference Number	2020-010
Federal Agency	US Department of Education
State Agency	South Carolina Department of Education
CFDA Number	84.027 and 84.173
Federal Program Name	Special Education Cluster (IDEA)
Compliance Requirement	A. Activities Allowed or Unallowed B. Allowable Costs/Cost Principles
Type of Finding	Compliance & Control

Condition

An expenditure was posted to the incorrect fiscal year.

Current Status

Fully Corrected with Previously Reported Corrective Action Implemented

Comment



State of South Carolina
Summary Schedule of Prior Audit Findings
06/30/2021

Reference Number 2020-011
Federal Agency Department of Education
State Agency South Carolina Vocational Rehabilitation Department
CFDA Number 84.126
Federal Program Name Rehabilitation Services-Vocational Rehabilitation Grants to States
Compliance Requirement B. Allowable Costs/Cost Principles
Type of Finding Compliance & Control

Condition

Equipment was purchased and not managed in accordance with certain State procedures.

Current Status

Fully Corrected with Previously Reported Corrective Action Implemented

Comment

Felicia W. Johnson, Commissioner

The South Carolina Vocational Rehabilitation Department prepares and assists
eligible South Carolinians with disabilities to achieve and maintain competitive employment

State Office • 1410 Boston Avenue • P.O. Box 15 • West Columbia, South Carolina 29170-0015 • scvrd.net
803-896-6500 (Office) • 803-896-6553 (TTY) • 800-832-7526 (Toll free) • 803-896-6558 (Fax) • info@scvrd.net



Darline Graham
Commissioner

South Carolina Commission for the Blind

1430 CONFEDERATE AVENUE • COLUMBIA, SC 29201
PHONE (803) 898-8822 • FAX (803) 898-8845

State of South Carolina Summary Schedule of Prior Audit Findings 6/30/2021

Reference Number	2020-012
Federal Agency	Department of Education
State Agency	South Carolina Commission for the Blind
CFDA Number	84.126
Federal Program Name	Rehabilitation Services-Vocational Rehabilitation Grants to States
Compliance Requirement	G. Matching, Level of Effort, Earmarking
Type of Finding	Compliance & Control

Condition

The Commission was not in compliance with the pre-employment transition services earmarking requirement.

Current Status

Fully Corrected with Previously Reported Corrective Action Implemented

Comment

None.

The mission of the South Carolina Commission for the Blind is to provide quality, individualized vocational rehabilitation services, independent living services, and prevention of blindness services to blind and visually impaired consumers leading to competitive employment and social and economic independence.



Darline Graham
Commissioner

South Carolina Commission for the Blind

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State of South Carolina Summary Schedule of Prior Audit Findings 6/30/2021

Reference Number	2020-013
Federal Agency	Department of Education
State Agency	South Carolina Commission for the Blind
CFDA Number	84.126
Federal Program Name	Rehabilitation Services-Vocational Rehabilitation Grants to States
Compliance Requirement	L. Reporting
Type of Finding	Compliance & Control

Condition

Key data elements reported on the Commission's RSA-911 performance reports did not agree with underlying case records.

Current Status

Fully Corrected with Previously Reported Corrective Action Implemented

Comment

None.

The mission of the South Carolina Commission for the Blind is to provide quality, individualized vocational rehabilitation services, independent living services, and prevention of blindness services to blind and visually impaired consumers leading to competitive employment and social and economic independence.



Darline Graham
Commissioner

South Carolina Commission for the Blind

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State of South Carolina Summary Schedule of Prior Audit Findings 6/30/2021

Reference Number	2020-014
Federal Agency	Department of Education
State Agency	South Carolina Commission for the Blind
CFDA Number	84.126
Federal Program Name	Rehabilitation Services-Vocational Rehabilitation Grants to States
Compliance Requirement	L. Reporting
Type of Finding	Compliance & Control

Condition

Discrepancies existed between federal financial reports and the Commission's supporting records.

Current Status

Fully Corrected with Previously Reported Corrective Action Implemented

Comment

None.

The mission of the South Carolina Commission for the Blind is to provide quality, individualized vocational rehabilitation services, independent living services, and prevention of blindness services to blind and visually impaired consumers leading to competitive employment and social and economic independence.



Darline Graham
Commissioner

South Carolina Commission for the Blind

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State of South Carolina Summary Schedule of Prior Audit Findings 6/30/2021

Reference Number	2020-015
Federal Agency	Department of Education
State Agency	South Carolina Commission for the Blind
CFDA Number	84.126
Federal Program Name	Rehabilitation Services-Vocational Rehabilitation Grants to States
Compliance Requirement	C. Cash Management
Type of Finding	Compliance & Control

Condition

Cash management compliance was not documented for some drawdowns.

Current Status

Fully Corrected with Previously Reported Corrective Action Implemented

Comment

None.

The mission of the South Carolina Commission for the Blind is to provide quality, individualized vocational rehabilitation services, independent living services, and prevention of blindness services to blind and visually impaired consumers leading to competitive employment and social and economic independence.



Darline Graham
Commissioner

South Carolina Commission for the Blind

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State of South Carolina Summary Schedule of Prior Audit Findings 6/30/2021

Reference Number	2020-016
Federal Agency	Department of Education
State Agency	South Carolina Commission for the Blind
CFDA Number	84.126
Federal Program Name	Rehabilitation Services-Vocational Rehabilitation Grants to States
Compliance Requirement	A. Activities Allowed or Unallowed B. Allowable Costs/Cost Principles
Type of Finding	Compliance & Control

Condition

The allocation of some compensation costs was inadequately supported or improperly applied.

Current Status

Fully Corrected with Previously Reported Corrective Action Implemented

Comment

None.

The mission of the South Carolina Commission for the Blind is to provide quality, individualized vocational rehabilitation services, independent living services, and prevention of blindness services to blind and visually impaired consumers leading to competitive employment and social and economic independence.



Darline Graham
Commissioner

South Carolina Commission for the Blind

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State of South Carolina Summary Schedule of Prior Audit Findings 6/30/2021

Reference Number	2020-017
Federal Agency	Department of Education
State Agency	South Carolina Commission for the Blind
CFDA Number	84.126
Federal Program Name	Rehabilitation Services-Vocational Rehabilitation Grants to States
Compliance Requirement	A. Activities Allowed or Unallowed B. Allowable Costs/Cost Principles
Type of Finding	Compliance & Control

Condition

The Commission's internal control procedures for disbursements were not documented consistently and an overpayment was noted for one non-payroll disbursement tested.

Current Status

Fully Corrected with Previously Reported Corrective Action Implemented

Comment

None.

The mission of the South Carolina Commission for the Blind is to provide quality, individualized vocational rehabilitation services, independent living services, and prevention of blindness services to blind and visually impaired consumers leading to competitive employment and social and economic independence.

The State of South Carolina
Military Department



1 NATIONAL GUARD ROAD
COLUMBIA, SOUTH CAROLINA 29201-4752

State of South Carolina
Summary Schedule of Prior Audit Findings
6/30/2021

Reference Number	2020-018
Federal Agency	Department of Defense
State Agency	South Carolina Adjutant General's Office
CFDA Number	12.401
Federal Program Name	National Guard Military Operations and Maintenance (O&M) Projects
Compliance Requirement	A. Activities Allowed or Unallowed B. Allowable Costs/Cost Principles
Type of Finding	Compliance & Control

Condition

Funding information on agency approved Personnel Action Form did not agree to selected SCEIS Remuneration Statement and SCEIS Labor Distribution Report data. Additionally, excess overtime costs, resulting from employee work outside the program, were charged to program grants.

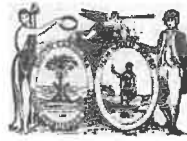
Current Status

Fully Corrected with Previously Reported Corrective Action Implemented

Comment

The State of South Carolina

Military Department



1 NATIONAL GUARD ROAD
COLUMBIA, SOUTH CAROLINA 29201-4752

State of South Carolina

Summary Schedule of Prior Audit Findings

6/30/2021

Reference Number	2020- 019
Federal Agency	Department of Defense
State Agency	South Carolina Adjutant General's Office
CFDA Number	12.401
Federal Program Name	National Guard Military Operations and Maintenance (O&M) Projects
Compliance Requirement	C. Cash Management
Type of Finding	Compliance & Control

Condition

Advanced funds for three transactions were not expended within the required timeframe to minimize the time elapsing between drawdown and disbursement.

Current Status

Partially Resolved - Comment Below

Comment

The estimated balance of Federal cash on hand and the specific details for the computation of each advance funding for review by the Chief of Finance for State Operations, the GOR, and the Program Manager or Program Manager's designee has been implemented starting with the new Federal Fiscal Year. This process was delayed due to the completion of the Centralized Personnel Plan (CPP), changes with key personnel, and additional time and effort to meet deadlines with the tasks of closing and opening the State Fiscal Years and the Federal Fiscal Years.

The State Cooperative Agreements Section is the process of submitting month to date SCEIS KSB1 Reports for each appendix for the current Federal Fiscal Year on a weekly basis to the Chief of Staff for State Operations, the Chief of Finance for State Operations, the Grants Officer Representative (GOR), the Federal Budget Analysts, and the Federal Program Managers. This process will be implemented during November 2021. This process has been delayed due to the completion of the Centralized Personnel Plan (CPP), changes with key personnel, and additional time and effort to meet deadlines with the tasks of closing and opening the State Fiscal Years and the Federal Fiscal Years.

The State of South Carolina

Military Department



1 NATIONAL GUARD ROAD
COLUMBIA, SOUTH CAROLINA 29201-4752

State of South Carolina Summary Schedule of Prior Audit Findings 6/30/2021

Reference Number	2020-020
Federal Agency	Department of Defense
State Agency	South Carolina Adjutant General's Office
CFDA Number	12.401
Federal Program Name	National Guard Military Operations and Maintenance (O&M) Projects
Compliance Requirement	H. Period of Performance
Type of Finding	Compliance & Control

Condition

Expenditures were incurred prior to the start of the program's grant period of performance. Additionally, expenditures that occurred beyond ninety days after the close of the Federal Fiscal Year (FFY) were not included on the detailed listing of unliquidated claims and undisbursed obligations.

Current Status

Partially Resolved - Comment Below

Comment

Before the start of the new Federal Fiscal Year, the State Cooperative Agreements Section provided Cash Requirements Statements to the Program Managers or the Federal and State Budget Analysts with information to be used throughout the Federal Fiscal Year. The Cash Requirements Statements included the number of pay dates during each month of the Federal Fiscal Year. The statements also included some of the expenditure amounts by category for each of the months of the Federal Fiscal Year such as the monthly expenditure amounts for the Centralized Personnel Plan (CPP). Throughout the Federal Fiscal Year, if there are updates or changes that are identified and need to be made to a Cash Requirements Statement for an appendix during the Federal Fiscal Year, the Program Manager or the Budget Analyst will be contacted by the State Cooperative Agreements Section.

The State Cooperative Agreements Section will create a detailed listing of unliquidated claims and undisbursed obligations and submit the report monthly to the Federal Program Managers and the Federal Program Managers' designees. This is currently being provided to some Federal Program Managers and the Federal Program Managers' designees on a periodic basis;

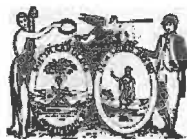
ADJUTANT GENERAL'S OFFICE
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
YEAR ENDED JUNE 30, 2016

however, this has not been provided to all Federal Program Managers and all of the Program Managers' designees on a monthly basis. This will be implemented during November 2021. This process has been delayed due to the completion of the Centralized Personnel Plan (CPP), changes with key personnel, and additional time and effort to meet deadlines with the tasks of closing and opening the State Fiscal Years and the Federal Fiscal Years.

State Operations is still in the process of improving the review of all transactions in SCEIS to ensure the transactions are not charged to program grants outside of the performance period. This process has been delayed due to the completion of the Centralized Personnel Plan (CPP), changes with key personnel, and additional time and effort to meet deadlines with the tasks of closing and opening the State Fiscal Years and the Federal Fiscal Years.

The State of South Carolina

Military Department



1 NATIONAL GUARD ROAD
COLUMBIA, SOUTH CAROLINA 29201-4752

State of South Carolina

Summary Schedule of Prior Audit Findings

6/30/2021

Reference Number	2020- 021
Federal Agency	Department of Defense
State Agency	South Carolina Adjutant General's Office
CFDA Number	12.401
Federal Program Name	National Guard Military Operations and Maintenance (O&M) Projects
Compliance Requirement	L. Reporting
Type of Finding	Compliance & Control

Condition

Total program expenditures reported on final reports did not agree to SCEIS accounting records.

Current Status

Partially Resolved - Comment Below

Comment

The State Cooperative Agreements Section review the SCEIS postings on a monthly basis to ensure that the SCEIS postings for the month are correct for the O&M programs. If a posting is identified as incorrect, the State Cooperative Agreements Section creates a journal entry to correct the posting in SCEIS. The State Cooperative Agreements Section verifies that all corrective journal entries have been completed before the final SF270 is generated.

The State Cooperative Agreements Section generates SCEIS reports to ensure the total reported expenditures for program grants posted in SCEIS agree with the total reported expenditures for the program on each final SF270. These SCEIS report will begin to be submitted with the final SF270s that are currently in the process of being generated and will be submitted with all of the future final SF270s that will be generated.



South Carolina Department of Alcohol and Other Drug Abuse Services

HENRY McMASTER
Governor

SARA GOLDSBY
Director

State of South Carolina	
Summary Schedule of Prior Audit Findings	
6/30/2021	
Reference Number	2020-022
Federal Agency	Department of Health and Human Services
State Agency	South Carolina Department of Alcohol & Other Drug Abuse Services
CFDA Number	93.959
Federal Program Name	Prevention and Treatment of Substance Abuse
Compliance Requirement	A. Activities Allowed or Unallowed
	B. Allowable Costs/Cost Principles
Type of Finding	Compliance & Control
Condition	
The Department did not have adequate controls in place to ensure timesheets were properly completed and reviewed by a supervisor, maintained by the agency and that the time and effort documentation agreed to salary allocations in the accounting system.	
Current Status	
Fully Corrected with Previously Reported Corrective Action Implemented	
Comment	
We have implemented the corrective action plan.	

Reference Number	2020-023
Federal Agency	Department of Health and Human Services
State Agency	South Carolina Department of Alcohol & Other Drug Abuse Services
CFDA Number	93.788; 93.959
Federal Program Name	Strategic Targeted Response Opioid Crisis Grant; Prevention and Treatment of Substance Abuse
Compliance Requirement	M. Subrecipient Monitoring
Type of Finding	Compliance & Control
Condition	
The Department communicated grant and program information to each subrecipient annually through a standardized contracting agreement; however, not all of the required information was included in the agreement	
Current Status	
Fully Corrected with Previously Reported Corrective Action Implemented	
Comment	
We have included the required information in contracts as part of the contract language or as a separate last page of each contract.	

Reference Number	2020-024
Federal Agency	Department of Health and Human Services
State Agency	South Carolina Department of Alcohol & Other Drug Abuse Services
CFDA Number	93.788; 93.959
Federal Program Name	Strategic Targeted Response Opioid Crisis Grant; Prevention and Treatment of Substance Abuse
Compliance Requirement	L. Reporting
Type of Finding	Compliance & Control
Condition	
Financial reports were not reviewed by an employee other than the report preparer prior to submission.	
Current Status	
Fully Corrected with Previously Reported Corrective Action Implemented	
Comment	
If the Manager of Finance & Operations is preparing a financial report, the Chief of Staff will approve the report. This change was necessitated by staff turnover.	

Reference Number	2020-025
Federal Agency	Department of Health and Human Services
State Agency	South Carolina Department of Alcohol & Other Drug Abuse Services
CFDA Number	93.788
Federal Program Name	Opioid STR
Compliance Requirement	L. Reporting
Type of Finding	Compliance & Control
Condition	
Certain information reported on the Performance Progress Report (PPR) did not agree to supporting documentation provided by the Department.	
Current Status	
Fully Corrected with Previously Reported Corrective Action Implemented	
Comment	



HENRY McMASTER, GOVERNOR
MICHAEL LEACH, STATE DIRECTOR



**State of South Carolina
Summary Schedule of Prior Audit Findings
6/30/2021**

Reference Number	2020-026
Federal Agency	Department of Health and Human Services U.S. Department of Agriculture
State Agency	South Carolina Department of Social Services
CFDA Number	93.563, 93.667, 93.659
Federal Program Name	Child Support Enforcement, Social Services Block Grant, Adoption Assistance
Compliance Requirement	C. Cash Management
Type of Finding	Compliance & Control

Condition

Cash management compliance could not be confirmed for some federal cash draws.

Current Status

Partially Resolved - Comment Below

Comment

Due to transitions and limitations in staff, while retained documentation supporting draws made was improved, the frequency of draws was not markedly improved until after fiscal yearend. The draw log is now in use and draws are being completed at least monthly when needed.

Reference Number	2020-027
Federal Agency	Department of Health and Human Services
State Agency	South Carolina Department of Social Services
CFDA Number	93.659
Federal Program Name	Adoption Assistance
Compliance Requirement	B. Allowable Costs/Cost Principles E. Eligibility
Type of Finding	Compliance & Control

Condition

Eligibility related discrepancies were encountered for some payments and some payments exceeded the allowable amount.

Current Status

Fully Corrected with Previously Reported Corrective Action Implemented

Comment

Controls described in the CAP have been fully implemented and are working as needed to ensure timely termination of payments. Procedures for review, approval, and verification of subsidy payment amounts on new case files were changed prior to fiscal yearend. Program staff also resumed case file sample reviews and have followed up on all exceptions noted, resolving those that were practical to resolve, considering the nature of the documentation needed and the ages of the files.

Reference Number	2020-028
Federal Agency	Department of Health and Human Services
State Agency	South Carolina Department of Social Services
CFDA Number	93.569
Federal Program Name	Adoption Assistance
Compliance Requirement	L. Reporting
Type of Finding	Compliance & Control

Condition:

Discrepancies existed between Federal financial reports and the Department's supporting records.

Current Status

Fully Corrected with Previously Reported Corrective Action Implemented

Comment

Reference Number	2020-029
Federal Agency	Department of Health and Human Services
State Agency	South Carolina Department of Social Services
CFDA Number	93.658
Federal Program Name	Foster Care – Title IV-E
Compliance Requirement	E. Eligibility
Type of Finding	Compliance & Control

Condition

Discrepancies related to eligibility determinations were identified.

Current Status

Partially Resolved - Comment Below

Comment

DSS staff notified the two child care institutions involved in this finding of their noted background check/criminal records compliance failures in February 2021, and the institutions promptly terminated the employment of the workers for whom non-compliance was found.

In addition, in connection with new regulations that changed the background check and licensing requirements effective September 12, 2021, DSS conducted training webinars with group home staff to explain the changes in July 2021. Because of changes in the licensing frequency from annual to bi-annual, DSS has also adjusted its monitoring protocol to include more frequent on-site review of employee records to ensure continued compliance, and DSS expects this to further

reduce risks of non-compliance. DSS also is actively examining potential contract change orders that will encourage careful compliance monitoring by providers, and management intends to implement these change orders in the current federal fiscal year.

DSS's licensing staff also have completed an assessment of the clarity of letters DSS's Office of Inspector General issues to communicate background check results to DSS and institution staff. Beginning in December 2021, letters communicating background check exceptions that preclude the hiring of a candidate for employment include a 2" x ¾" red text box containing the words "EXCLUDING CONVICTION(S)". This red stamp makes the exception letters easily distinguishable from those conveying results without exceptions.

Finally, as part of its background check communications, the Agency now includes a reminder of the memorandum of agreement previously signed by the executive director of the institution acknowledging their responsibility for maintaining compliance with regulations pertaining to employee background checks and criminal histories. DSS also has installed a process requiring group home executive directors to reassert their commitment to compliance by signing a new memorandum of agreement at least once per year.

Reference Number	2020-030
Federal Agency	Department of Health and Human Services
State Agency	South Carolina Department of Social Services
CFDA Number	93.658
Federal Program Name	Foster Care – Title IV-F
Compliance Requirement	N. Special Tests and Provisions
Type of Finding	Compliance & Control

Condition

We were unable to confirm the inclusion of written requirements for the periodic review of maintenance payment rates in the Department's approved plan.

Current Status

Unresolved - Comment Below

Comment

Management has agreed to amend the IV-E plan document to include a written policy of periodic review of Foster Care rates, and this amendment will likely be completed by February 2022.

Reference Number	2020-031
Federal Agency	Department of Health and Human Services
State Agency	South Carolina Department of Social Services
CFDA Number	93.658
Federal Program Name	Foster Care – Title IV-E
Compliance Requirement	L. Reporting
Type of Finding	Compliance & Control

Condition

Discrepancies existed between federal financial reports and the Department's supporting records.

Current Status

Fully Corrected with Previously Reported Corrective Action Implemented

Comment

Reference Number	2020-032
Federal Agency	Department of Health and Human Services
State Agency	South Carolina Department of Social Services
CFDA Number	93.658
Federal Program Name	Foster Care – Title IV-E
Compliance Requirement	A. Activities Allowed or Unallowed B. Allowable Costs/Cost Principles
Type of Finding	Compliance & Control

Condition

Discrepancies related to allowable activities/costs were encountered for some program payments.

Current Status

Partially Resolved - Comment Below

Comment

We have directed more focus to assuring clearer documentation of the appropriate distribution of charges for potentially allocable costs and in some cases have changed the coding for transactions to better align with benefitting programs. We also have finalized a draft policy and IV-E plan amendment to document how we compensate for partial-month foster child custody. This will be completed in January 2022.

Appendix A

Listing of Agencies Included in Schedule of Expenditures of Federal Awards

STATE OF SOUTH CAROLINA
Index of State Agencies Included in Schedule 1
For the Year Ended June 30, 2021

<u>Agency Code</u>	<u>Agency Name</u>
A850	Education Oversight Committee
B040	Judicial Department
C050	Administrative Law Court
D050	Governor's Office - Executive Control of State
D100	State Law Enforcement Division (SLED)
D200	Governor's Office - Mansion and Grounds
D250	Office of the Inspector General
D300	Office of Resilience
D500	Department of Administration
E120	Comptroller General's Office
E160	State Treasurer's Office
E200	Attorney General's Office
E210	Commission on Prosecution Coordination
E230	Commission on Indigent Defense
E240	Adjutant General's Office
E260	Department of Veteran's Affairs
E280	State Election Commission
E500	Revenue and Fiscal Affairs Office
E550	State Fiscal Accountability Authority
H030	State Commission on Higher Education
H590	State Board for Technical and Comprehensive Education
H630	Department of Education
H670	Educational Television Commission
H710	Wil Lou Gray Opportunity School
H730	Vocational Rehabilitation Department
H750	School for the Deaf and the Blind
H790	Department of Archives and History
H870	State Library
H910	Arts Commission
H950	State Museum Commission
H960	Confederate Relic Room and Military Museum Commission
J020	Department of Health and Human Services
J040	Department of Health and Environmental Control
J120	Department of Mental Health
J160	Department of Disabilities and Special Needs
J200	Department of Alcohol and Other Drug Abuse Services
K050	Department of Public Safety
L040	Department of Social Services
L060	Department on Aging
L080	Department of Children's Advocacy

STATE OF SOUTH CAROLINA
Index of State Agencies Included in Schedule 1
For the Year Ended June 30, 2021

<u>Agency Code</u>	<u>Agency Name</u>
L240	Commission for the Blind
L360	State Human Affairs Commission
L460	Minority Affairs Commission
N040	Department of Corrections
N080	Department of Probation, Parole, and Pardon Services
N120	Department of Juvenile Justice
N200	Criminal Justice Academy
P120	State Forestry Commission
P160	Department of Agriculture
P240	Department of Natural Resources
P260	Sea Grant Consortium
P280	Department of Parks, Recreation and Tourism
P320	Department of Commerce
P450	Rural Infrastructure Authority
R040	Public Service Commission
R060	Office of Regulatory Staff
R080	Workers' Compensation Commission
R230	State Board of Financial Institutions
R360	Department of Labor, Licensing, and Regulation
R400	Department of Motor Vehicles
R440	Department of Revenue
R520	State Ethics Commission
U300	Division of Aeronautics

Appendix B

Agency Corrective Action Plans to Findings and Recommendations – Federal Award Programs Audit



State of South Carolina
Office of Comptroller General

1200 Senate Street
305 Wade Hampton Office Building
Columbia, South Carolina 29201

Telephone: (803) 734-2121
Fax: (803) 734-1765
E-Mail: cgooffice@cg.sc.gov

RICHARD ECKSTROM, CPA
COMPTROLLER GENERAL

WILLIAM E. GUNN
CHIEF OF STAFF

November 12, 2021

Mr. George L. Kennedy III, CPA
State Auditor
1401 Main Street, Suite 1200
Columbia, South Carolina 29201

Mr. Remi Omisore, CPA, CISA, CIA, MBA
CliftonLarsonAllen LLP
1966 Greenspring Drive, Suite 300
Timonium, Maryland 21093

Dear Sirs:

The Comptroller General's Office has been attempting to hire additional professional staff, as our Financial Reporting Department is very small compared to most states within the United States. We, like many other states (Comptroller Generals' Offices and Auditors' Offices alike), are having a hard time finding qualified candidates to fill vacant financial reporting positions due to the challenging labor market and the deleterious impact of COVID-19. We intend to continue trying to hire additional staff, which will free-up management to oversee more of the work being done by the financial reporting staff.

If you have any questions, please contact me at (803) 734-2542 or email me at dstarkey@cg.sc.gov.

Sincerely,

David A. Starkey, CPA
Senior Assistant Comptroller General

DS/js

cc: Richard A. Eckstrom



ALAN WILSON
ATTORNEY GENERAL

March 28, 2022

U. S. Department of Justice

The South Carolina Attorney General's Office respectfully submits the following corrective action plan for the year ended June 30, 2021.

The findings from the schedule of findings and questioned costs are discussed below. The findings are numbered consistently with the numbers assigned in the schedule.

FINDINGS—FEDERAL AWARD PROGRAM AUDIT

2021-002 Crime Victim Assistance – Assistance Listing No. 16.575

Recommendation: We recommend that the Office strengthen its internal controls and processes to ensure that federal reports are free from error prior to submission.

Explanation of disagreement with audit finding: There is no disagreement with the audit finding.

Action taken in response to finding: When generating reports for quarterly FFR, a BW (Business Warehouse) or SCEIS cumulative report will be generated from inception to-date to ensure all federal data is captured accurately. A FFR tracking log will be maintained to reflect quarterly and cumulative match amounts to ensure total effort is reported. Any adjustments will be noted in the tracking log noting the reason for the adjustment. These procedures will be implemented immediately. The agency is currently working to implement a new grants management system that will track federal and match expenditures that will assist with federal reporting to ensure amounts are reported accurately. The projected implementation start date for the new grants accounting system is October 1, 2022. Full implementation will be completed within twelve months.

Name(s) of the contact person(s) responsible for corrective action: Kelley Anderson

Planned completion date for corrective action plan: Tracking log adjustments will be implemented immediately.

2021-003 Crime Victim Assistance – Assistance Listing No. 16.575

Recommendation: We recommend that the Office review and strengthen subrecipient monitoring controls and procedures to ensure that it is in compliance with all federal subrecipient monitoring requirements.



ALAN WILSON
ATTORNEY GENERAL

Explanation of disagreement with audit finding: There is no disagreement with the audit finding.

Action taken in response to finding: Procedures were written to strengthen internal controls to ensure all subrecipients submit single or program specific audits in a timely manner. A step-by-step process of notification, action requirements and follow-up will be implemented immediately. A tracking log will capture the necessary data, such as, date report received, completed review sheet, review of corrective action plan and necessary follow-up to ensure monitoring is complete and compliant with monitoring requirements. Furthermore, the agency is updating its process and tracking system to ensure all site-monitoring is conducted once every three years as stated in procedures for all subgrantees and will be reviewed and approved by the Division Director.

Name(s) of the contact person(s) responsible for corrective action: Kelley Anderson and Billy House

Planned completion date for corrective action plan: Immediately

If the Federal Cognizant Agency of Oversight or Audit has questions regarding this plan, please call Kelley Anderson at 803-734-0779.

**SOUTH CAROLINA DEPARTMENT OF HEALTH AND HUMAN SERVICES
CORRECTIVE ACTION PLAN
YEAR ENDED JUNE 30, 2021**

Department of Health & Human Services
Centers for Medicare & Medicaid Services (CMS)
31 Forsyth Street, SW, Room 4T20
Atlanta, Georgia 30303-8909

The South Carolina Department of Health and Human Services respectfully submits the following corrective action plan for the year ended 6/30/21.

The findings from the schedule of findings and questioned costs are discussed below. The findings are numbered consistently with the numbers assigned in the schedule.

FINDINGS – FEDERAL AWARD PROGRAM AUDIT

DEPARTMENT OF HEALTH AND HUMAN SERVICES

2021-004 Medicaid Cluster; Children’s Health Insurance Program (CHIP) – Assistance Listing No. 93.775, 93.777, 93.778; 93.767

Recommendation: We recommend eligibility reviews be performed annually in accordance with the South Carolina Medicaid Policies and Procedures Manual.

Explanation of disagreement with audit finding: There is no disagreement with the audit finding.

Action taken in response to finding:

In 2021, SCDHHS (the agency) developed a tentative unwinding operational plan for completing pending eligibility and enrollment actions at the conclusion of the public health emergency (PHE). The state is in the process of updating the plan, based on CMS guidance and tools issued on 3/4/22. However, the basic components of the plan are still relevant.

Current Activities in Progress

- Policy and procedure updates for unwinding from PHE requirements
- System updates required for unwinding from PHE policies and procedures

- Development of communication plan for sharing relevant information regarding unwinding activities with stakeholders such as beneficiaries, agency staff, call centers, providers, managed care plans and community organizations
- Preparation for outreach strategies to inform beneficiaries about the review process and encourage them to report changes in contact information. Current efforts include texting and outbound calling initiatives.
- Planning for handling increased agency contacts regarding reviews or address changes
- Planning for handling increased appeals that are possible once continuous enrollment period has ended

Prioritization of Reviews

The agency will use a hybrid approach for the distribution of redeterminations at the end of the PHE. Redeterminations will be prioritized to promote accurate coverage, as well as continuity of coverage. Attention will be given to prevent incorrect decisions that will then likely result in a new application being submitted, unnecessarily adding to the volume of work that must be completed. Continuity of coverage applies to both beneficiaries eligible for Medicaid, as well as those who may be eligible for Marketplace coverage and subsidies. Updated data reporting is in progress to compare to volumes identified earlier in the PHE so that decisions can be made for distribution of prioritized reviews, based on CMS guidelines and the desire to achieve a manageable distribution of reviews for subsequent years. Priority groups include:

- Pregnant Women category greater than 12 months post-partum
- Infants over 1 year old
- Individuals Over 19 in Children's category
- Parent Caretaker Relatives who no longer have dependent children in the home
- Individuals who have aged out of Foster Care
- Individuals in the Refugee category greater than 8 months from Entry date
- Individuals receiving Medicaid because of Supplemental Security Income (SSI) benefits who will need to provide additional information to assess for eligibility in other categories
 - The agency reached out once to individuals no longer eligible for SSI and are receiving long term care services during the PHE so that they would have the opportunity to provide the needed information and undergo the ex parte process prior to the end of the PHE. Any beneficiaries who did not respond or were found not eligible during the PHE remained in their current payment category and will receive another opportunity after the PHE ends.
 - The remainder of reviews will be distributed across the 12-month period following the end of the PHE to allow for a relatively equal distribution, with consideration for periods of anticipated higher application volume such as open enrollment.

Staffing

Attrition during the PHE and an increase in workload and anticipation of work to be completed at the end of the PHE has resulted in a significant hiring of MAGI, Non-MAGI and Long-Term Care Eligibility Specialists which will continue at least through the end of federal fiscal year (FFY) 2022, depending on impacts of any additional attrition. Forty-seven (47) Non-MAGI workers have been hired and trained to date and 96 additional Non-MAGI workers are expected to be hired by the end of FFY 2022. Forty-three (43) Long-Term-Care workers have been hired and trained, with an additional 27 to be hired by the end of FFY2022. Approximately 100 additional MAGI staff will be hired as well.

The additional staff is intended to build capacity for current work, as well as in preparation for resumption of normal review processing at the end of the continuous enrollment period. Staff are trained to assist with current work upon hiring and all staff will undergo training on redetermination processing in time for reinstatement of the redetermination process at the end of the PHE.

Workload Management

Workload management is an important component of current operations and will be critical as the state unwinds after the PHE ends. Workload management allows the agency to predict and react to staffing needs and better plan for timely decisions. Eligibility's Workload Management team monitors work queues daily and collaborates with eligibility supervisors and leadership to address timeliness of case processing and distribution of work. This may include shifting work assignments, reprioritization of work, referral to additional training, or other mechanisms to increase efficiency.

Name(s) of the contact person(s) responsible for corrective action: Lori Risk

Planned completion date for corrective action plan: 14 months from end of PHE or end of continuous enrollment requirement.

DEPARTMENT OF HEALTH AND HUMAN SERVICES

2021-005 Medicaid Cluster; Children's Health Insurance Program (CHIP) – Assistance Listing No. 93.775, 93.777, 93.778; 93.767

Recommendation: We recommend the Department continue its efforts to maintain documentation to support eligibility determinations in accordance with its State plan and federal regulations.

Explanation of disagreement with audit finding: There is no disagreement with the audit finding.

Action taken in response to finding:

Staff Performance Evaluation and Remediation: The eligibility performance and remediation process continue to include key elements for review which lead to a correct or incorrect eligibility determination, including the presence of required documentation. Eligibility policies and procedures from March 1, 2020, provide instructions for a worker to ensure the case file is complete for all eligibility criteria based on policy, prior to making an eligibility determination. This policy is included in staff training and is evaluated as part of quality assurance activities.

The Eligibility Quality Assurance Team (EQAT) members are trained to evaluate MAGI, Non-MAGI or Long-Term Care determinations for accuracy of those determinations, as well as vital procedural errors that are most likely to impact eligibility. On the first business day of each month, supervisors receive employee performance results for their staff.

Supervisors are responsible for monitoring staff daily by using data available via system of record, the electronic document management system (OnBase), workload management software, as well as through case spot reviews. Supervisors meet monthly with each staff member to review Eligibility Quality Assurance (EQA) findings to identify and address issues that impact performance, as well as to facilitate corrections to incorrect determinations identified through the EQA process.

Errors are identified via error codes and descriptions. EQA reviews are conducted and housed in a state-developed tool to allow for creation of reports that can be generated based on supervisor, worker, work type, error code or overall accuracy.

The agency compares errors identified through audits and federal reviews such as payment error rate measurement with EQA error trends and use this monitoring method to identify trends, develop mitigation strategies and to determine impact of those strategies on these errors. In addition, the agency collaborates with our third-party quality review entity, the University of South Carolina Core for Applied Research and Evaluation (USC CARE) to conduct focused reviews to assist with monitoring trends, providing recommendations for mitigation (e.g., policy clarifications, training, or supervisor intervention) and impact of mitigation strategies.

During the 4th quarter of calendar year 2021, 10,767 quality reviews were conducted by the EQA team. The agency monitors the following errors and will continue to do so on a quarterly basis:

Internal EQA findings:

Error Description	Q1 CY2021 % Cases Reviewed	Q2 CY2021 % Cases Reviewed	Q3 CY2021 % Cases Reviewed	Q4 CY2021 % Cases Reviewed
The application was not signed	.03%	.03%	.05%	.04%
The application could not be located in the case file	.05%	.04%	.04%	.02%
Level of care was not in the case file or in Phoenix	.01%	.02%	.01%	.02%

The case record was missing SSN or proof of application for SSN	.49%	.57%	.19%	.20%
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Policy Update: Currently, Medicaid Policy and Procedure Manual (MPPM) review requirements (MPPM 101.10) include a requirement to review and upload State Data Exchange (SDX) interface data into the casefile for Payment Categories 54 (Supplemental Security Income (SSI) Nursing Home) and 86 (Optional State Supplementation with SSI) each year, to confirm continued SSI eligibility although an annual review itself is not required. As the agency has transitioned to a rules-based system that reacts to SDX interface data updates, stores information in the case record and takes appropriate action in response to updates, this policy will be updated to remove this requirement.

Staff Reminders: In response to these findings, the Eligibility department will send email communication to managers, supervisors and staff regarding these findings and a reminder of documentation requirements in policy, as well as to ensure supervisors are assessing for this requirement in casefile spot checks. This will also be discussed on an upcoming Eligibility Supervisor call.

Name(s) of the contact person(s) responsible for corrective action: Lori Risk

Planned completion date for corrective action plan: Policy update and Staff communication - June 2022; EQA Procedures - Ongoing

DEPARTMENT OF HEALTH AND HUMAN SERVICES

2021-006 Medicaid Cluster – Assistance Listing No. 93.775, 93.777, 93.778

Recommendation: We recommend the Department correct the errors in MMIS and strengthen its controls to ensure errors are corrected when identified.

Explanation of disagreement with audit finding: There is no disagreement with the audit finding.

Action taken in response to finding:

Root Cause: Medicaid Management Information System (MMIS) does not include pointer logic for diagnosis codes to indicate the specific line(s) that each apply to. This results in all diagnosis codes being assigned to all procedure codes submitted on a claim. In cases where diagnosis codes with a program indicator of 'Family Planning' are included on the claim, the MMIS is incorrectly treating each line as if it were a family planning service. In some cases, this is resulting in the incorrect FMAP being applied to services that may not have been true Family Planning codes. The Department has made numerous corrections to the Family Planning logic, including removing aspects such as the FP modifier from assignment to FMAP assignment, but agrees that further remediation is needed.

Corrective Action: The agency is developing an action plan, in collaboration with its MMIS vendor, Clemson University, to evaluate the complete adjudication logic of the Family Planning limited benefit plan.

This evaluation includes a review of all aspects of plan administration, including:

- Review/update procedure/Diagnosis Code program indicators
- Review/update the dedicated Family Planning MMIS tables
- Review/update the adjudication logic, including the continued use of the FP modifier for billing purposes
- Update the Fund Code assignment to remediate the auto-assignment of Family Planning FMAP rates based on diagnosis code alone
- Update the policy manuals to give clear guidance to providers on how to bill for Family Planning beneficiaries
- Finally, a review will be completed of all claims that may have been processed under the former logic and decisions will be made on whether to reprocess claims to assign the proper FMAP or if a ledger adjustment will be performed to correct FMAP draw downs.

The development, testing, and implementation of the revised Family Planning logic is scheduled to be completely by December 31, 2022.

Corrective Action Plan for Part B Assistance Premium Payment issue:

Fiscal staff have created a training document for identifying and assigning the correct functional areas to report types in the Medicaid Claims Payment Processing module in SCEIS. The training emphasizes the need to follow through the process to ensure errors are corrected when identified.

Name(s) of the contact person(s) responsible for corrective action: Jeremy Faulkenburg, Brian Paeth, and Jenny Shealy

Planned completion date for corrective action plan: December 31, 2022

DEPARTMENT OF HEALTH AND HUMAN SERVICES

2021-007 Medicaid Cluster; Children's Health Insurance Program (CHIP) – Assistance Listing No. 93.775, 93.777, 93.778; 93.767

Recommendation: We recommend the Department ensure required periodic audits are performed. The required reports and documents should then be posted to the Department's publicly accessible website.

Explanation of disagreement with audit finding: There is no disagreement with the audit finding.

Action taken in response to finding:

The agency will update its managed care contract to include the following language:

7.9.1. The CONTRACTOR must submit an annual audited financial report by July 1st of each year.

7.9.2.1 The annual audited financial report must include an independent audit of the accuracy, truthfulness and completeness of the Encounter and financial data submitted by the CONTRACTOR.

7.9.2.2 Detailed instructions for completion of the audited financial report are available in the Managed Care Policy and Procedure Guide.

Name(s) of the contact person(s) responsible for corrective action: Jonathan Tapley, Thomas Clark Phillip

Planned completion date for corrective action plan: July 1, 2022. First report submitted with the independent audit to occur after contract execution. MCO annual reports submitted in 2023 to include the audited financial and encounter data.

DEPARTMENT OF HEALTH AND HUMAN SERVICES

2021-008 Medicaid Cluster – Assistance Listing No. 93.775, 93.777, 93.778

Recommendation: We recommend the Department implement controls to ensure its third-party contractor has implemented the required six NCCI methodologies and NCCI program requirements.

Explanation of disagreement with audit finding: There is no disagreement with the audit finding.

Action taken in response to finding:

Root Cause: MMIS does not have native editing of methodologies within the National Correct Coding Initiative. As such, it has contracted with a third party to perform NCCI analysis against claim extracts and provide the agency with a Pass/Fail report. This report is then ingested into the MMIS system and corresponding claim edits are applied to any submission that fails NCCI compliance. In response to this edit, the third party has provided evidence that they are up to date on all CMS edit criteria, that claim submissions and response reports are being transmitted, and a savings report showing the total costs saved by the agency via implementation of the NCCI edits is provided on a monthly basis. However, the agency agrees that it has not performed test claims of the NCCI system.

Corrective Action: The agency is developing a plan to engage the third party with test scenarios on a quarterly basis. These test files will be generated via collaboration between the agency's Bureau of Provider Services and Support, the area responsible for fee-for-service claims processing, and

the Bureau of Medicaid Systems, the area of Information Technology who oversees file transmissions between the MMIS and the third party.

The quarterly test file will include scenarios that cover both types of NCCI edits- procedure to procedure (PTP) and medically unlikely edits (MUEs). The scenarios will include claim types expected to validate the proper execution of all six methodologies, including:

- PTP edits for practitioner and ambulatory surgical center (ASC) services
- PTP edits for outpatient services in hospitals (including services offered in emergency and radiology departments, observation units, clinics, and laboratories)
- PTP edits for durable medical equipment (DME)
- MUE edits for practitioner and ASC services
- MUE edits for outpatient services in hospitals
- MUE edits for DME

The quarterly testing files will coincide with the quarterly updates released by CMS. Special attention will be given to codes/scenarios that are included in the preceding quarter's update.

This development of the test scenarios, methodology creation, proprietary file development and transmission protocols to the third party are scheduled to be completed by the close of calendar year 2022. The first test file submission will take place in Q1 2023.

Name(s) of the contact person(s) responsible for corrective action: Jeremy Faulkenburg

Planned completion date for corrective action plan: December 2022

DEPARTMENT OF HEALTH AND HUMAN SERVICES

2021-009 Medicaid Cluster; Children's Health Insurance Program (CHIP) – Assistance Listing No. 93.775, 93.777, 93.778; 93.767

Recommendation: We recommend the Department ensure MLR reports submitted by MCOs comply with federal regulations.

Explanation of disagreement with audit finding: There is no disagreement with the audit finding.

Action taken in response to finding:

Our actuaries will be required to change their annual MLR reporting template to include Fraud Prevention Activities expenditures as defined in 42 CFR 438.8(e)(4) and required under 42 CFR 438.8(k)(1)(iii).

Name(s) of the contact person(s) responsible for corrective action: T. Clark Phillip

Planned completion date for corrective action plan: April 30, 2022.

If the U.S. Department of Health and Human Services has questions regarding this plan, please call Cynthia Moore, Controller at 803-898-1880.



**OFFICE OF REGULATORY STAFF
CORRECTIVE ACTION PLAN
YEAR ENDED JUNE 30, 2021**

Office of Regulatory Staff
1401 Main Street
Suite 900
Columbia, SC 29201
(803) 737-0800
ORS.SC.GOV

April 8, 2022

United States Department of the Treasury

The South Carolina Office of Regulatory Staff respectfully submits the following corrective action plan for the year ended 6/30/21.

The findings from the schedule of findings and questioned costs are discussed below. The findings are numbered consistently with the numbers assigned in the schedule.

FINDINGS—FEDERAL AWARD PROGRAM AUDIT

2021-010 Coronavirus Relief Fund— Assistance Listing No. 21.019

Recommendation: We recommend the Office strengthen its internal controls and processes to ensure that all charges to the grant are allowable.

Explanation of disagreement with audit finding: There is no disagreement with the audit finding.

Action taken in response to finding: ORS will strengthen its review procedures to ensure all expenditures charged to grants are allowable. The condition noted was related to the operation of an existing control and not control design; therefore, ORS will implement a plan whereby it periodically takes action to increase staff awareness of their responsibility to exercise due professional care in their duties.

Name(s) of the contact person(s) responsible for corrective action: Mark Rhoden, CFO.

Planned completion date for corrective action plan: June 30, 2022.

If the Federal Cognizant Agency of Oversight or Audit has questions regarding this plan, please call Andrew Bateman at 803-737-8440.



STATE OF SOUTH CAROLINA
DEPARTMENT OF EDUCATION

MOLLY M. SPEARMAN
STATE SUPERINTENDENT OF EDUCATION

SOUTH CAROLINA DEPARTMENT OF EDUCATION
CORRECTIVE ACTION PLAN
YEAR ENDED JUNE 30, 2021

South Carolina Department of Education
1429 Senate Street
Columbia, South Carolina 29201

The South Carolina Department of Education respectfully submits the following corrective action plan for the year ended June 30, 2021.

The findings from the schedule of findings and questioned costs are discussed below. The findings are numbered consistently with the numbers assigned in the schedule.

FINDINGS—FEDERAL AWARD PROGRAM AUDIT
DEPARTMENT OF EDUCATION

2021-011 Coronavirus Relief Fund – Assistance Listing No. 21.019
Recommendation: We recommend the Department strengthen controls to ensure that all costs charged to the grant are allowable.

Explanation of disagreement with audit finding: There is no disagreement with the audit finding.

Action taken in response to finding: The SC Department of Education will continue to educate school districts and other subrecipients on the appropriate use of federal awards. The Department will continue to work with the Executive Budget Office and the US Department of Treasury to determine the appropriate corrective actions.

Name(s) of the contact person(s) responsible for corrective action: Nancy Williams, Chief Financial Officer

Planned completion date for corrective action plan: June 30, 2022

2021-012 Education Stabilization Fund – Assistance Listing No. 84.425D

Recommendation: We recommend the Department strengthen controls to ensure the FFATA report is submitted in FSRS in a timely manner.

Explanation of disagreement with audit finding: There is no disagreement with the audit finding.

Action taken in response to finding: Procedures were written to assure timely reporting of federal awards in the FSRS System. A review of these procedures will be scheduled for early April with Grants Accounting and Mid-April with the Program Offices. Due to these dates, we recommend a completion date of May 1, 2022, for the Corrective Action.

Name(s) of the contact person(s) responsible for corrective action: Steven Strother, Finance Director

Planned completion date for corrective action plan: May 1, 2022

If the U.S. Department of Education has questions regarding this plan, please call Nancy W. Williams, CFO at 803-734-8108.

DEPARTMENT OF SOCIAL SERVICES
CORRECTIVE ACTION PLAN
YEAR ENDED JUNE 30, 2021



HENRY McMASTER, GOVERNOR
MICHAEL LEACH, STATE DIRECTOR



March 25, 2022

The South Carolina Department of Social Services respectfully submits the following corrective action plan for the year ended June 30, 2021.

The findings from the schedule of findings and questioned costs are discussed below. The findings are numbered consistently with the numbers assigned in the schedule.

FINDINGS—FEDERAL AWARD PROGRAM AUDIT

U. S. Department of Health and Human Services

2021-013 Adoption Assistance – Assistance Listing No. 93.659

Recommendation: We recommend that the Department continue to implement corrective action for eligibility file controls.

Explanation of disagreement with audit finding: There is no disagreement with the audit finding.

Action taken in response to finding: All adoption subsidy agreements (ASAs) are now reviewed for completeness, accuracy and agreement with appropriate supporting documentation by two State Office Adoptions administrative employees specifically assigned to ensure the agreements have been completed correctly. Only after they have confirmed an ASA is properly supported, complete and accurate, they submit it to the State Office Adoptions Manager for signature. When signing the ASAs, the State Office Adoptions Manager now conducts their own compliance review and verifies the subsidy payment amounts are correct and agree with the signed adoption subsidy negotiation approval form. If discrepancies are found, the manager contacts the region for clarification or corrective action. Then, when key information from the ASAs is entered into the Child Welfare Information System (CAPSS), staff verify that each ASA includes the State Adoption Office Manager's signature.

In addition, State Adoptions staff, working with the Department's Information Technology team, are implementing a process whereby Adoptions staff will be required to upload all ASAs and supporting documents into Sharepoint for work-flowed approval.

Management believes that, collectively, the above controls will greatly reduce the possibility that adoption subsidies will commence without the proper support of an ASA that has been correctly completed, appropriately supported by other required documentation, properly signed by an authorized manager, and can easily be retrieved from Department files.

**DEPARTMENT OF SOCIAL SERVICES
CORRECTIVE ACTION PLAN
YEAR ENDED JUNE 30, 2021**

Some of the payments tested and identified as exceptions this year were made pursuant to subsidy agreements executed in prior years. The Department has already begun reviewing older files to ensure the subsidy agreements include the proper signatures, and the Department will continue this practice. The Department also has begun implementation of an eligibility review process whereby staff pull sample cases quarterly for internal review to confirm compliance with various requirements and ensure all subsidy payments were adequately supported.

Finally, in August 2021 State Adoptions staff, working with the Department's Information Technology team, implemented system controls and reports to ensure timely termination of payments and maintenance of documentary support for payments to children who are 18 years and older. The Department's CAPSS system now discontinues subsidy payments at the end of the month in which a child reaches age 21. In addition, monthly reports are provided to Adoptions staff that facilitate the generation and mailing of advance requests for required updates to educational and medical information to assure timely receipt of support for continuing payments for children who are 18 and over. Each month staff track the documentation requested to ensure the required updates have been received, and they terminate payments that lack the required support.

Management believes these new processes substantially reduce the possibility that payments will continue without appropriate support for youth who are 18 years of age or older.

Name(s) of the contact person(s) responsible for corrective action: Dawn Barton,
Permanency Manager

Planned completion date for corrective action plan: August 1, 2022

2021-014 Adoption Assistance – Assistance Listing No. 93.659

Recommendation: We recommend that the Department continue to strengthen its internal controls to ensure that federal reports are free from error and clearly supported prior to submission.

Explanation of disagreement with audit finding: There is no disagreement with the audit finding.

Action taken in response to finding:

The Department's Grants Accounting and Reporting Manager now has completed the first year of work at the Department and has also added staff to allow more time for review of reports. The entire team has greatly increased its understanding of the reporting rules and the measures required to ensure proper completion of the Federal Financial Reports, with appropriate tie-in and retention of relevant supporting documentation. Management has specifically reviewed with staff the discrepancies noted between supporting documentation and the reports, as well as the incorrect treatment of report corrections as prior quarter adjustments. Management does not expect these errors to recur. If they do, management expects them to be detected and corrected during management review.

**DEPARTMENT OF SOCIAL SERVICES
CORRECTIVE ACTION PLAN
YEAR ENDED JUNE 30, 2021**

Errors noted in the Adoption Savings calculation were related to specific calculation and reporting mechanics that are simple to check and now well understood. The Department will specifically review the calculations and supporting documentation to ensure they are free of these errors and will continue the management review process now in place.

Name(s) of the contact person(s) responsible for corrective action: Reshma Parikh,
Grants Accounting and Reporting Manager

Planned completion date for corrective action plan: March 31, 2022

U. S. Department of Agriculture

2021-015 Pandemic EBT Food Benefits – Assistance Listing No. 10.542

Recommendation: We recommend that the Department implement procedures to ensure that all new grant program activity is consistently accounted for in the Department's accounting system and that SEFA reporting does not exclude any expenditures required by federal reporting requirements.

Explanation of disagreement with audit finding: There is no disagreement with the audit finding.

Action taken in response to finding: The transmission and delivery of most PEBT benefits were executed in separate and distinct processes developed solely for that purpose on an emergency basis. Most of these benefits therefore were excluded from the normal SNAP benefits accounting reports and processes. Management will modify the accounting process to specifically capture PEBT benefits, and the Grants Accounting and Reporting staff will reconcile total SNAP benefits issued to postings in the accounting system to ensure all have been recorded and reported. PEBT expenditures, as well as those of any other new grant programs enacted in the future, will be reported separately, rather than combined with those of similar programs.

Name(s) of the contact person(s) responsible for corrective action: Reshma Parikh,
Grants Accounting and Reporting Manager

Planned completion date for corrective action plan: April 30, 2022

U. S. Department of the Treasury

2021-016 Coronavirus Relief Fund– Assistance Listing No. 21.019

Recommendation: We recommend that the Department review the supporting documentation for the amounts charged to the grant to determine if the grant was

**DEPARTMENT OF SOCIAL SERVICES
CORRECTIVE ACTION PLAN
YEAR ENDED JUNE 30, 2021**

overcharged and determine any necessary appropriate resolution for the closed grant program.

Explanation of disagreement with audit finding: There is no disagreement with the audit finding.

Action taken in response to finding: Of the approximate \$16 million in total Coronavirus Relief Fund expenditures reported, which included thousands of individual expenditure documents, three duplicate expenditure documents totaling \$4,691 have been found to have escaped detection by staff, Department management, and by the firm engaged to review and approve all program reimbursements. The Department will conduct a thorough search for additional duplicate document numbers in the entire population of expenditure documents reimbursed. Management does not expect the total thus returned to be material.

Name(s) of the contact person(s) responsible for corrective action: Ashley Harris, Assistant Controller

Planned completion date for corrective action plan: April 30, 2022

If the Federal Cognizant Agency of Oversight or Audit has questions regarding this plan, please contact David O'Kelly at David.okelly@dss.sc.gov, or 803-898-3987.

The State of South Carolina
Military Department



Office of the Adjutant General

R. VAN MCCARTY
MAJOR GENERAL
THE ADJUTANT GENERAL

1 NATIONAL GUARD ROAD
COLUMBIA, S.C. 29201-4752

ADJUTANT GENERAL'S OFFICE
CORRECTIVE ACTION PLAN
YEAR ENDED JUNE 30, 2021

March 31, 2022

The South Carolina Adjutant General's Office respectfully submits the following Corrective Action Plan for the year ended 6/30/21.

The findings from the schedule of findings and questioned costs are discussed below. The findings are numbered consistently with the numbers assigned in the schedule.

FINDINGS—FEDERAL AWARD PROGRAM AUDIT

U.S. Department of Homeland Security

2021-017 Hazard Mitigation Grant Program – Assistance Listing No. 97.039

Recommendation: We recommend that the Office strengthen its internal controls over FFATA reporting to ensure that all reporting is timely and accurate in accordance with the federal requirements.

Explanation of disagreement with audit finding: The Agency concurs with the audit finding.

Action taken in response to finding:

The Hazard Mitigation team has assigned staff to check and correct all project award dates in SCEMD's South Carolina Recovery Grants (SCRecoveryGrants.org; known as SCRG) system to ensure the date in SCRG matches the award date on FEMA's award letter for the respective project.

The Hazard Mitigation team is reinforcing in staff training the requirement that when entering HMGP award information in SCRG, the enterer must select the award date from the drop-down menu rather than allow the system to default to the entry date.

The above two steps will provide the correct award date in SCRG for Finance and Administration staff to pull the award date matching the award letter for FFATA reporting purposes (will avoid discrepancies).

The Finance and Administration team will pull records for FFATA reporting by obligation date instead of pulling records of reimbursements processed; this action will correct the reporting dates in FSRs.

The Finance and Administration team will continue to save a pdf record of the monthly reports.

Name(s) of the contact person(s) responsible for corrective action:
Candice Shealey, SCEMD State Hazard Mitigation Officer; Brittany Hammond, SCEMD Chief of Finance and Administration.

Planned completion date for corrective action plan: April 15, 2022

U.S. Department of Defense

2021-018 National Guard Military Operations and Maintenance (O&M) Projects – Assistance Listing No. 12.401

Recommendation: We recommend that the Office continue the implementation of corrective action to strengthen its internal controls over advance payments in order to demonstrate compliance with the federal requirements.

Explanation of disagreement with audit finding: The Agency concurs with the audit finding.

Action taken in response to finding:

The Grants and Agreements Section will implement additional procedures to strengthen internal controls over advance payments in order to demonstrate compliance with the Federal requirements.

The Grants and Agreements Section will provide additional information to Program Managers and/or State and Federal Budget Analysts concerning the details of the amounts of the advance funds requested for each appendix. This information will include the dollar amounts of expenditure categories needed for the advance funding amount requested for the applicable time period.

The Program Manager and/or Federal and State Budget Analysts for each appendix will develop a spreadsheet to track expenditures that have occurred period to date, by expenditure categories, used in the Federal

Army and Air Guard Accounting Systems for processing of expenditures and payments for the Cooperative Agreements. This spreadsheet will also track the amounts of the remaining Federal budgets for each appendix and the amounts of the advance funding available for use for each appendix. Each Program Manager and/or Federal and State Budget Analysts for each appendix will submit a copy of all spreadsheets to the Grants and Agreements Section on a monthly basis. The Grants and Agreements Section will maintain a copy of the spreadsheet.

No later than the fifth working day of the first month of the new Federal Fiscal Year (October), the Grants and Agreements Section will complete a final reconciliation of State and Federal Accounting data for each appendix for the previous Federal Fiscal Year. The Grants Administrator will make a determination, based on reconciliation of account balances, of the amount of advance funding for each appendices that the Agency should return to the Federal Government. The Grants and Agreements Section will ensure all remaining advance funding is returned to the Federal Government within forty-five (45) days after the end of the Federal Fiscal Year.

Name(s) of the contact person(s) responsible for corrective action: Alex Counts

Planned completion date for corrective action plan: May 31, 2022

2021-019 National Guard Military Operations and Maintenance (O&M) Projects – Assistance Listing No. 12.401

Recommendation: We recommend that the Office continue the implementation of corrective action to strengthen its internal controls to ensure documented compliance with all federal period of performance requirements.

Explanation of disagreement with audit finding: There is no disagreement with the audit finding.

Action taken in response to finding:

The Grants and Agreements Section will implement additional procedures to strengthen internal controls to ensure documented compliance with all federal period of performance requirements.

The Grants and Agreements Section will send each Program Manager and/or their Federal and State Budget Analysts a detailed listing of the remaining balances of purchase orders and funds reservations to on a monthly basis to ensure accuracy and compliance for each appendix.

Each Program Manager and/or their Federal and State Budget Analysts will provide a mandatory response to ensure accuracy or needed changes. The Grants and Agreements Section will maintain a copy of the listing and responses.

The Grants and Agreements Section will submit a monthly detailed listing of expenditures for all appendices to each Program Manager and/or their Federal and State Budget Analysts for all open Federal Fiscal Years to ensure accuracy and compliance. Program Managers and/or their Federal and State Budget Analysts will provide a mandatory response to ensure accuracy or needed changes. The Grants and Agreements Section will maintain a copy of responses. The Grants and Agreements Section will review all expenditures for each appendix for accuracy and compliance. The Grants and Agreements Section will maintain documentation for accuracy and changes.

Program Managers and/or Federal and State Budget Analysts for each appendix will develop and maintain a spreadsheet for tracking invoices for each open Federal Fiscal Year. Program Managers and/or Federal and State Budget Analysts will submit a copy of the spreadsheet to Grants and Agreements on a monthly basis. The Grants and Agreements Section will maintain a copy of the spreadsheet.

Name(s) of the contact person(s) responsible for corrective action: Alex Counts

Planned completion date for corrective action plan: May 31, 2022

If the Federal Cognizant Agency of Oversight or Audit has questions regarding this plan, please contact COL Kenneth C. Braddock, USA Retired, Chief of Staff for State Operations, at 803-299-4445 or braddockk@tag.scmd.state.sc.us.



**SOUTH CAROLINA DEPARTMENT OF HEALTH AND ENVIRONMENTAL CONTROL
CORRECTIVE ACTION PLAN
YEAR ENDED JUNE 30, 2021**

US Department of Health and Human Services

The South Carolina Department of Health and Environmental Control respectfully submits the following corrective action plan for the year ended 6/30/21.

The findings from the schedule of findings and questioned costs are discussed below. The findings are numbered consistently with the numbers assigned in the schedule.

FINDINGS—FEDERAL AWARD PROGRAM AUDIT

DEPARTMENT OF THE TREASURY

2021-020 Coronavirus Relief Fund (CRF) — Assistance Listing No. 21.019

Recommendation: We recommend that the Department strengthen controls to ensure that all costs charged to the CRF are for allowable grant activities and costs.

Explanation of disagreement with audit finding: There is no disagreement with the audit finding.

Action taken in response to finding: To strengthen internal controls, the Department discussed the finding with staff to reiterate the importance of ensuring grant awards are thoroughly reviewed and appropriate staff are aware of the terms and conditions related to activities that are deemed allowable, as well as activities that would be deemed unallowable. In addition, the unallowed costs will be returned to the grantor.

Name(s) of the contact person(s) responsible for corrective action: Kim Paradeses

Planned completion date for corrective action plan: June 30, 2022

DEPARTMENT OF HEALTH AND HUMAN SERVICES

2021-021 Epidemiology and Laboratory Capacity for Infectious Diseases – Covid 19 –
Assistance Listing No. 93.323

Recommendation: We recommend that the Department strengthen policies and procedures to ensure that all information reported on federal reports is accurate and that a segregation of duties exists between report preparers and reviewers.

Explanation of disagreement with audit finding: There is no disagreement with the audit finding.

Action taken in response to finding: To strengthen internal controls, the Department will develop and implement specific policies and standard operating procedures defining the Federal Financial Report (FFR) process and documenting the review and approval roles. All workpapers will be reviewed by staff other than the preparer of the FFR. Approvals will be documented.

Name(s) of the contact person(s) responsible for corrective action: Kim Paradeses

Planned completion date for corrective action plan: June 30, 2022

DEPARTMENT OF AGRICULTURE

2021-022 Special Supplemental Nutrition Program for Women, Infants, and Children (WIC)
Assistance Listing No. 10.557

Recommendation: We recommend that the Department strengthen internal controls to ensure all expenditures charged to federal awards are incurred during the grant's period of performance.

Explanation of disagreement with audit finding: There is no disagreement with the audit finding.

Action taken in response to finding: To strengthen internal controls, the Department's Program/Region staff will provide periodic reminders to appropriate staff regarding the selection of grants and the associated period of performance when processing payments.

In addition, the Department's Program/Region staff will perform post-closing reviews of expenditures to ensure the proper grant funding was used. Budget staff will monitor post-closing budget balances to assure only the balance of the

unliquidated obligations remain on the books until the final FFR has been submitted.

Name(s) of the contact person(s) responsible for corrective action: Kim Paradeses

Planned completion date for corrective action plan: June 30, 2022

If the US Department of Health and Human Services has questions regarding this plan, please call Kim Paradeses at (803) 898-3390.

Appendix C

Index of Findings

STATE OF SOUTH CAROLINA

Index of Findings by Federal Grantor and Program Name
For the Year Ended June 30, 2021

<u>Assistance Listing</u>	<u>Federal Grantor/Program Name</u>	<u>Finding Number</u>	<u>Compliance¹ Requirement</u>	<u>Type of Internal Control Finding</u>		<u>Page</u>
				<u>Significant Deficiency</u>	<u>Material Weakness</u>	
N/A	<u>State of South Carolina</u> Annual Comprehensive Financial Report	2021-001	(ACFR)		X	33
10.542	<u>Department of Agriculture</u> Pandemic EBT Food Benefits – COVID-19	2021-015	L		X	49
10.557	Special Supplemental Nutrition Program For Women, Infants, and Children (WIC)	2021-022	H	X		57
12.401	<u>Department of Defense</u> National Guard Military Operations and Maintenance (O&M) Projects	2021-018 2021-019	C H	 X	X	52 53
16.575	<u>Department of Justice</u> Crime Victim Assistance	2021-002 2021-003	L M	X X		34 35
21.019	<u>Department of the Treasury</u> Coronavirus Relief Funds – COVID-19	2021-010 2021-011 2021-016 2021-020	A,B A,B B A,B	X X	 X X	43 44 50 54
84.425D	<u>Department of Education</u> Education Stabilization Fund – COVID-19	2021-012	L	X		45

¹ Compliance Requirement Legend – See page 123

STATE OF SOUTH CAROLINA
Index of Findings by Federal Grantor and Program Name
For the Year Ended June 30, 2021

Assistance Listing	Federal Grantor/Program Name	Finding Number	Compliance ¹ Requirement	Type of Internal Control Finding		Page
				Significant Deficiency	Material Weakness	
	Department of Health and Human Services					
93.323	Epidemiology and Laboratory Capacity for Infectious Diseases – COVID-19	2021-021	L	X		55
93.659	Adoption Assistance	2021-013	B,E		X	46
		2021-014	L	X		48
93.767	Children’s Health Insurance Program (CHIP)	2021-004	E		X	36
		2021-005	E	X		37
		2021-007	N	X		40
		2021-009	N	X		42
93.775	State Medicaid Fraud Control Units	2021-004	E		X	36
		2021-005	E	X		37
		2021-006	G	X		38
		2021-007	N	X		40
		2021-008	N		X	41
		2021-009	N	X		42
93.777	State Survey and Certification of Health Care Providers and Suppliers (Title XVIII) Medicare	2021-004	E		X	36
		2021-005	E	X		37
		2021-006	G	X		38
		2021-007	N	X		40
		2021-008	N		X	41
		2021-009	N	X		42

¹ **Compliance Requirement Legend** – See page 123

STATE OF SOUTH CAROLINA
Index of Findings by Federal Grantor and Program Name
For the Year Ended June 30, 2021

Assistance Listing	Federal Grantor/Program Name	Finding Number	Compliance ¹ Requirement	Type of Internal Control Finding		Page
				Significant Deficiency	Material Weakness	
<u>Department of Health and Human Services (Continued)</u>						
93.778	Medical Assistance Program	2021-004	E		X	36
		2021-005	E	X		37
		2021-006	G	X		38
		2021-007	N	X		40
		2021-008	N		X	41
		2021-009	N	X		42
<u>Department of Homeland Security</u>						
97.039	Hazard Mitigation Grant Program	2021-017	L	X		51

¹ **Compliance Requirement Legend**

A – Activities allowed or unallowed

B – Allowable costs/cost principles

C – Cash management

D – Reserved

E – Eligibility

F – Equipment and real property management

G – Matching, level of effort, earmarking.

H – Period of Performance

I – Procurement and suspension and debarment

J – Program income

K – Reserved

L – Reporting

M – Subrecipient monitoring

N – Special tests and provisions